

# REDEVELOPMENT AGENCY STAFF REPORT

MEETING DATE: August 25, 2004

Agenda Item # 1
Prepared By:
Finance Director
Submitted By:
Executive director

#### JUNE 2004 FINAL FINANCE & INVESTMENT REPORT

#### **RECOMMENDED ACTION:**

Accept and File Report

**EXECUTIVE SUMMARY:** Attached is the final monthly *unaudited* Finance and Investment Report of the Redevelopment Agency of the City of Morgan Hill for the month of June 2004. The report covers activity for the twelve months of the 2003/2004 fiscal year. A summary of the report is included on the first page for the Board's benefit.

The Redevelopment Agency monthly Finance and Investment Report is presented to the Agency Board and our Citizens as part of our ongoing commitment to improve and maintain public trust through communication of our finances, budget and investments. The report also serves to provide the information necessary to determine the adequacy/stability of financial projections and develop equitable resource/revenue allocation procedures.

This report covers all fiscal activity of the Redevelopment Agency.

**FISCAL IMPACT:** As presented.

# REDEVELOPMENT AGENCY OF THE CITY OF MORGAN HILL

### Monthly Financial and Investment Reports

June 30, 2004 - 100% Year Complete



Prepared by:

FINANCE DEPARTMENT



#### REDEVELOPMENT AGENCY OF THE CITY OF MORGAN HILL, CALIFORNIA

UNAUDITED FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2003/04 FOR THE MONTH OF JUNE 2004 - 100% OF YEAR COMPLETE

#### Revenues

Through June 30, the Redevelopment Agency received \$18,223,208 in property tax increment revenues. Most property tax increment revenues are received between December and April. This amount is net of an Agency payment in May to Santa Clara County for \$1,015,955, as required by the State of California in connection with an Educational Revenue Augmentation Fund shift needed to balance the State budget. The Redevelopment Agency, as of June 30, 2004, has collected \$100,000,000 in tax increment revenue under the original plan and has collected \$78,645,816, net of pass-through obligations to other agencies, toward the plan amendment cap of \$147,000,000. Since the \$100 million tax increment cap for the original plan was reached during 1999/2000, all tax increment revenues collected during 2003/2004 were collected under the plan amendment.

An amount of \$857,000 from interest earnings and rental income has been received through June 30, 2004. The interest earnings included a \$422,000 interest payment on the previous loan to South County Housing for the Murphy Ranch project.

Other revenues preliminarily totaling \$2,357,335 included a transfer in of \$562,500 previously collected from Morgan Hill Development Partners for the aquatics center, \$669,000 from a principal repayment on the previous loan to South County Housing for the Murphy Ranch project, and \$821,782 in Redevelopment monies transferred back from the Public Facility AB1600 fund for the Library project.

#### **Expenditures**

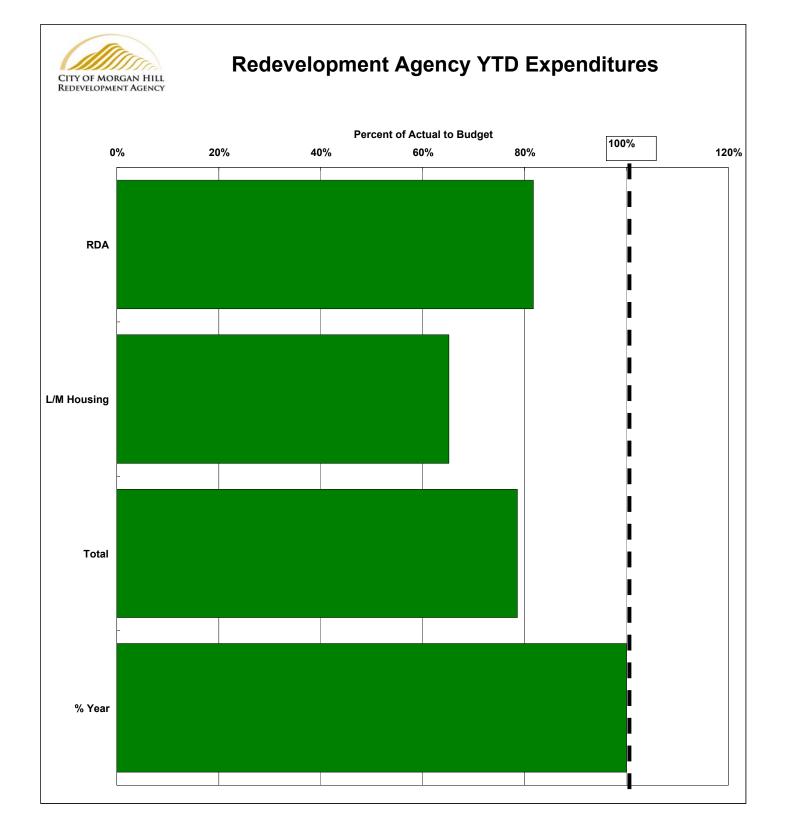
Total Redevelopment Agency Capital Projects expenditures and encumbrances equaled \$33,652,231, which were 82% of budget. Of this total, \$3,631,571 represented encumbrances for capital projects and other commitments. If the encumbrances were excluded, the RDA would have spent only 73% of the budget. Expenditures for administrative costs for employee services, supplies, and contract services were 94% of budget. During July, the Agency made a \$2.55 million installment payment towards the purchase of the Sports Complex property. During July, the Agency also spent approximately \$3.5 million for the purchase of the Courthouse Facility property and, in March, spent another \$875,000 toward construction of the Courthouse Project. In April, the Agency made the final installment payment of \$3,250,000 on the Gunderson property. To date, the Agency has incurred \$4.6 million in acquisition and construction costs related to the Butterfield Blvd. Phase IV Project, has incurred \$9.7 million in costs associated with the construction of the Aquatics Complex, and has incurred \$800,000 in street resurfacing costs. In addition, the Agency purchased land behind City hall from the City at a cost of \$1.7 million in March. Capital Projects 2003/04 expenditures used monies collected under the plan amendment.

Budgeted expenditures plus encumbrances for Housing were preliminarily at 65% of the budget for a total of \$6,316,109. During July, the Agency paid approximately \$3 million for the purchase of the Royal Court Apartments. Although certain loans and grants for various housing loan and grant programs have been committed, the related funds have not been drawn down by the recipients and, hence, are not reflected in the expenditures. All of the 2003/04 housing related expenditures has been funded with tax increment collected under the plan amendment.

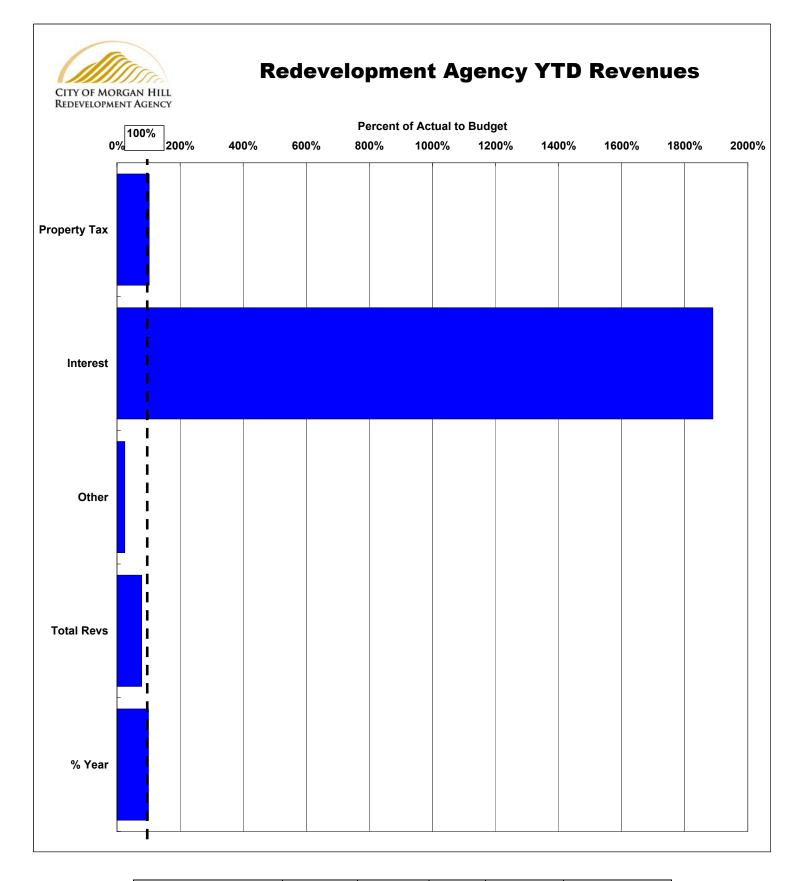
#### **Fund Balance**

The unreserved fund balance of \$646,351 for the Capital Projects Fund at June 30, 2004, reflected the large amount of current contract encumbrances, not yet expended, and consisted entirely of monies collected under the plan amendment. The unreserved fund balance included future obligations to pay an additional \$2.7 million for the Courthouse Facility and \$1.61 million for the Lomanto property should the Agency agree to execute its option to purchase in accordance with the agreement. If both of these future commitments were subtracted from the \$646,351, the remaining unreserved fund balance at June 30 would be a negative (\$3,663,649). However, these commitments are expected to be paid out over the next 2 to 3 years. Staff will bring a short-term borrowing plan to the Board in the near future, if needed, to finance cash flow needs. The Capital Projects Fund cash balance at June 30 was \$5,964,261.

The unreserved fund balance of \$5,786,058 for the Housing Fund at June 30 consisted of funds all collected under the plan amendment.



Expenditure Category	Budget	Actual Plus Encumbrances	% of Budget
CAPITAL PROJECTS	\$41,163,703	\$33,652,231	82%
HOUSING	9,688,767	6,316,109	65%
TOTALS	\$50,852,470	\$39,968,340	79%



			% OF	<b>PRIOR YEAR</b>	% CHANGE FROM
REVENUE CATEGORY	BUDGET	ACTUAL	<b>BUDGET</b>	TO DATE	PRIOR YEAR
PROPERTY TAXES	\$17,877,658	\$18,223,208	102%	\$19,067,641	-4%
INTEREST INCOME/RENTS	\$45,364	\$857,000	1889%	\$765,170	12%
OTHER REVENUE	\$9,451,590	\$2,357,335	25%	\$209,024	1028%
TOTALS	\$27,374,612	\$21,437,543	78%	\$20,041,835	7%



Redevelopment Agency
Fund Balance Report - Fiscal Year 2003/04
Final For the Month of June 2004
100% of Year Complete

			Revenue	S	Expenditu	res	Year to-Date	Ending Fu	nd Balance	Cash and In	vestments
Fund		Fund Balance	YTD	% of	YTD	% of	Deficit or				
No.	Fund	06-30-03	Actual	Budget	Actual	Budget	Carryover	Reserved <sup>1</sup>	Unreserved	Unrestricted	Restricted
317	CARITAL PROJECTO	COO 000 F40	45 000 407	070/	20,000,000	700/	(4.4.00.4.400)	5 000 004	040.054	5.004.004	
	CAPITAL PROJECTS	\$20,860,548	15,696,467	67%	30,020,660	73%	(14,324,193)	5,890,004	646,351	5,964,261	
327/328	HOUSING	\$24,240,428	5,741,076	150%	6,294,296	65%	(553,220)	17,901,149	\$5,786,058	6,247,008	
TOTAL C	APITAL PROJECT FUNDS	<u>\$45,100,976</u>	21,437,543	<u>78%</u>	<u>36,314,956</u>	<u>71%</u>	(14,877,413)	23,791,153	6,432,409	12,211,269	
SUMMAR	RY BY FUND TYPE										
	CAPITAL PROJECTS GROUP	\$45,100,976	21,437,543	78%	36,314,956	71%	(14,877,413)	23,791,153	6,432,409	12,211,269	
				•			•				
	TOTAL ALL GROUPS	\$45,100,976	21,437,543	78%	36,314,956	71%	(14,877,413)	23,791,153	6,432,409	12,211,269	
	TOTAL CASH AND INVESTMENTS									12,211,269	

<sup>&</sup>lt;sup>1</sup> Amount reserved for encumbrances, fixed asset replacement, long-term receivables



Redevelopment Agency Year to Date Revenues - Fiscal Year 2003/04 Final For the Month of June 2004 100% of Year Complete

FUND REVENUE SOURCE	ADOPTED BUDGET	AMENDED BUDGETED	CURRENT YTD ACTUAL	% OF BUDGET	PRIOR YTD	INCREASE (DECREASE) FROM PRIOR YTD	% CHANGE
CAPITAL PROJECTS FUNDS							
317 CAPITAL PROJECTS							
Property Taxes & Supplemental Roll Development Agreements	14,086,573	14,086,573	13,832,762	98% n/a	14,831,285	(998,523)	-7% n/a
Interest Income, Rents Other Agencies/Current Charges	9,450,000	9,451,500	267,137 1,596,568	n/a <u>17%</u>	375,248 117,750	(108,111) 1,478,818	-29% <u>1256%</u>
TOTAL CAPITAL PROJECTS	23,536,573	23,538,073	15,696,467	<u>67%</u>	15,324,283	372,184	<u>2%</u>
327/328 HOUSING							
Property Taxes & Supplemental Roll Interest Income, Rent Other	3,791,085 45,364 <u>90</u>	3,791,085 45,364 90	4,390,446 589,863 760,767	116% 1300% <u>845297%</u>	4,236,356 389,922 91,274	154,090 199,941 669,493	4% 51% <u>733%</u>
TOTAL HOUSING	3,836,539	3,836,539	5,741,076	<u>150%</u>	4,717,552	1,023,524	<u>22%</u>
TOTAL CAPITAL PROJECTS FUNDS	27,373,112	27,374,612	21,437,543	78%	20,041,835	1,395,708	7%



Redevelopment Agency Year to Date Expenditures - Fiscal Year 2003/04 Final For the Month of June 2004 100% of Year Complete

FUND NO.	FUND/ACTIVITY	THIS MONTH ACTUAL EXPENDITURES	ADOPTED BUDGET	AMENDED BUDGET	YTD EXPENDITURES	OUTSTANDING ENCUMBRANCES	TOTAL ALLOCATED	% OF TOTAL TO BUDGET
317 CAI	PITAL PROJECTS							
	BAHS Administration BAHS Economic Developme BAHS CIP	102,168 130,245 2,065,671	1,509,317 4,516,120 21,320,714	1,598,923 8,229,928 31,334,852	1,454,878 4,824,541 23,741,241	45,479 94,365 3,491,727	1,500,357 4,918,906 27,232,968	94% 60% <u>87%</u>
тот	AL CAPITAL PROJECTS	2,298,084	27,346,151	41,163,703	30,020,660	3,631,571	33,652,231	<u>82%</u>
327 ANI	D 328 HOUSING							
	Housing	979,528	4,592,332	9,688,767	6,294,296	21,813	6,316,109	<u>65%</u>
TO	TAL HOUSING	979,528	4,592,332	9,688,767	6,294,296	21,813	6,316,109	<u>65%</u>
TOTAL	CAPITAL PROJECT FUND	3,277,612	31,938,483	50,852,470	36,314,956	3,653,384	39,968,340	79%

Redevelopment Agency of the City of Morgan Hill Balance Sheet Report - Fiscal Year 2003/04 Final For the Month of June 2004 100% of Year Complete

	CAPITAL PROJECTS (Fund 317)	Housing (Fund 327/328)
ASSETS	,	
Cash and investments: Unrestricted Accounts Receivable Loans and Notes Receivable <sup>1</sup>	5,964,260 197,182 3,331,218	6,247,008 51,045 24,165,591
Advance to Other Funds Fixed Assets <sup>2</sup> Other Assets	71,049	24,100,001
Total Assets	9,563,709	30,463,644
LIABILITIES		
Accounts Payable and Accrued Liabilities Deferred Revenue <sup>3</sup> Accrued Vacation and Comp Time	1,883,519 1,143,834	490,180 6,286,255
Total liabilities	3,027,353	6,776,435
FUND BALANCE		
Fund Balance Reserved for:		
Encumbrances Advance to Other Funds Properties Held for Resale	3,631,571 71,049	21,813
Loans and Notes Receivable	2,187,384	17,879,336
Total Reserved Fund balance	5,890,004	17,901,149
Unreserved Fund Balance	646,352	5,786,060
Total Fund Balance	6,536,356	23,687,209
Total Liabilities and Fund Balance	9,563,709	30,463,644

<sup>&</sup>lt;sup>1</sup> Includes Housing Rehab loans and loans for several housing and Agency projects.

<sup>&</sup>lt;sup>2</sup> Includes RDA properties held for resale.

<sup>&</sup>lt;sup>3</sup> Includes the deferred payment portion of the loans noted above.



# REDEVELOPMENT AGENCY STAFF REPORT

MEETING DATE: August 25, 2004

#### JULY 2004 FINANCE & INVESTMENT REPORT

Prepared By:	
Finance Director	
Submitted By:	
Executive director	

Agenda Item # 2

#### **RECOMMENDED ACTION:**

Accept and File Report

**EXECUTIVE SUMMARY:** Attached is the monthly Finance and Investment Report of the Redevelopment Agency of the City of Morgan Hill for the month of July 2004. The report covers activity for the first month of the 2004/2005 fiscal year. A summary of the report is included on the first page for the Board's benefit.

The Redevelopment Agency monthly Finance and Investment Report is presented to the Agency Board and our Citizens as part of our ongoing commitment to improve and maintain public trust through communication of our finances, budget and investments. The report also serves to provide the information necessary to determine the adequacy/stability of financial projections and develop equitable resource/revenue allocation procedures.

This report covers all fiscal activity of the Redevelopment Agency.

**FISCAL IMPACT:** As presented.

# REDEVELOPMENT AGENCY OF THE CITY OF MORGAN HILL

### **Monthly Financial and Investment Reports**

**July 31, 2004 – 8% Year Complete** 



Prepared by:

FINANCE DEPARTMENT



#### REDEVELOPMENT AGENCY OF THE CITY OF MORGAN HILL, CALIFORNIA

FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2004/05 FOR THE MONTH OF JULY 2004 - 8% OF YEAR COMPLETE

#### Revenues

Through July 31, the Redevelopment Agency received \$19,455 in property tax increment revenues. Most property tax increment revenues are received in December and April. The Redevelopment Agency, as of July 31, 2004, has collected \$100,000,000 in tax increment revenue under the original plan and has collected \$78,665,271, net of pass-through obligations to other agencies, toward the plan amendment cap of \$147,000,000. All tax increment revenues collected during 2004/2005 were collected under the plan amendment.

An amount of \$1,053 in interest earnings and rental income was received during July. Additional interest earnings for July have not yet been apportioned, but will be following the end of the quarter ending September 30. Other revenues totaled \$134.

#### **Expenditures**

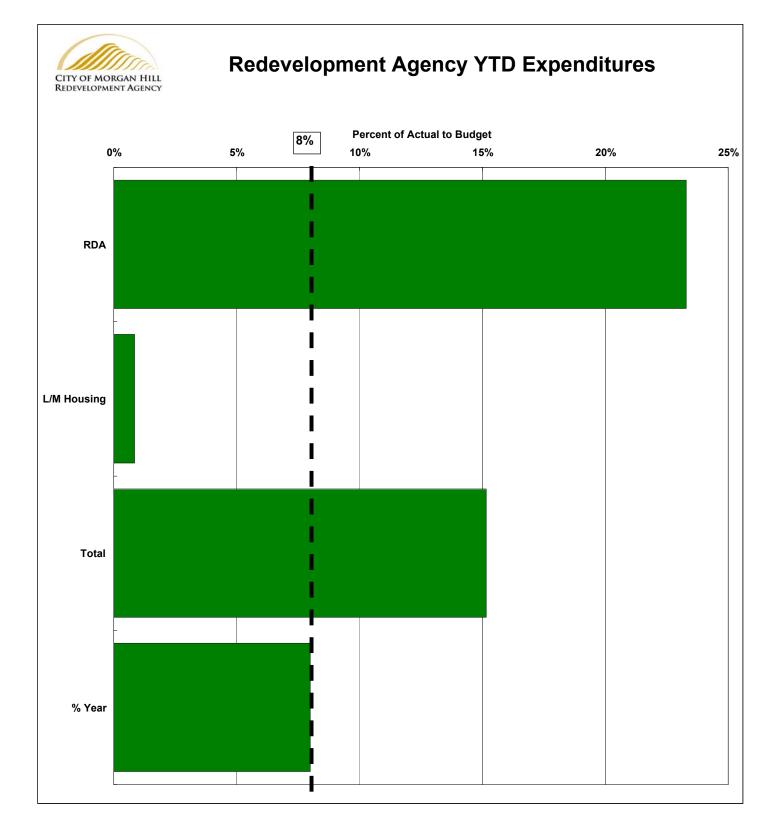
Total Redevelopment Agency Capital Projects expenditures and encumbrances equaled \$3,979,130 and were 23% of budget. Of this total, \$3,631,571 represented encumbrances for capital projects and other commitments. If the encumbrances were excluded, the RDA would have spent only 2% of the budget. Expenditures for administrative costs for employee services, supplies, and contract services were 9% of budget. During July 2004, CIP project expenditures totaled \$22,097.

Expenditures plus encumbrances for Housing were at 1% of the budget for a total of \$82,669. All of the 2004/05 housing related expenditures have been funded with tax increment collected under the plan amendment.

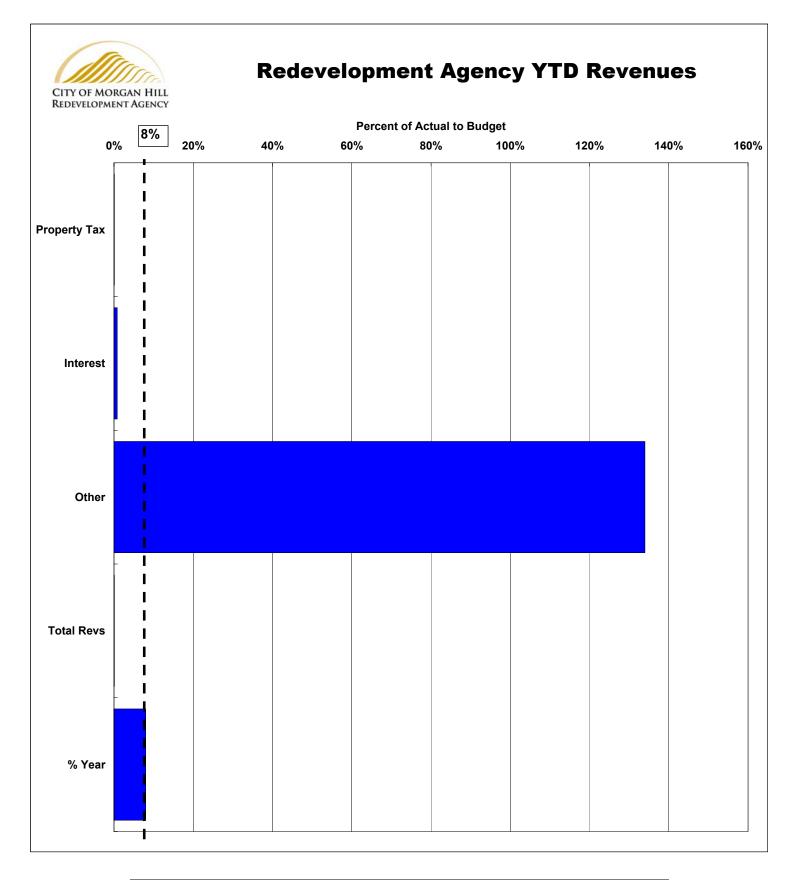
#### Fund Balance

The unreserved fund balance of \$303,276 for the Capital Projects Fund at July 31, 2004, consisted entirely of monies collected under the plan amendment. The unreserved fund balance included future obligations to pay an additional \$2.7 million for the Courthouse Facility and \$1.61 million for the Lomanto property should the Agency agree to execute its option to purchase in accordance with the agreement. If all these future commitments are subtracted from the \$303,276, the remaining unreserved fund balance at July 31 would be a negative (\$4,006,724). However, these commitments are expected to be paid out over the next 2 to 3 years. Staff will bring a short-term borrowing plan to the Board in the near future, if needed, to finance cash flow needs. The Capital Projects Fund cash balance at June 30 was \$3,951,518.

The unreserved fund balance of \$5,778,075 for the Housing Fund at July 31 consisted of funds all collected under the plan amendment.



Expenditure Category	Budget	Actual Plus Encumbrances	% of Budget
CAPITAL PROJECTS	\$17,084,833	\$3,979,130	23%
HOUSING	9,710,580	82,669	1%
TOTALS	\$26,795,413	\$4,061,799	15%



			% OF	<b>PRIOR YEAR</b>	% CHANGE FROM
REVENUE CATEGORY	BUDGET	ACTUAL	BUDGET	TO DATE	PRIOR YEAR
PROPERTY TAXES	\$22,017,627	\$19,455	0%		
INTEREST INCOME/RENTS	\$129,308	\$1,053	1%		
OTHER REVENUE	\$100	\$134	134%	\$27,626	-100%
TOTALS	\$22,147,035	\$20,642	0%	\$27,626	-25%



Redevelopment Agency Fund Balance Report - Fiscal Year 2003/04 For the Month of July 2004 8% of Year Complete

		Unaudited	Revenue	s	Expenditu	res	Year to-Date	Ending Fu	nd Balance	Cash and In	vestments
Fund		Fund Balance	YTD	% of	YTD	% of	Deficit or				
No.	Fund	06-30-04	Actual	Budget	Actual	Budget	Carryover	Reserved <sup>1</sup>	Unreserved	Unrestricted	Restricted
317	CAPITAL PROJECTS	COO OCO E40	1 002	00/	247.550	20/	(246,466)	E 000 014	202.276	2.054.540	
		\$20,860,548	1,093	0%	347,559	2%	(346,466)	5,886,614	303,276	3,951,518	
327/328	HOUSING	\$24,240,428	19,549	0%	60,856	1%	(41,307)	17,867,827	\$5,778,075	5,812,033	
TOTAL C	APITAL PROJECT FUNDS	<u>\$45,100,976</u>	20,642	<u>0%</u>	408,415	<u>2%</u>	(387,773)	23,754,441	6,081,351	9,763,551	
									•		
SUMMAR	RY BY FUND TYPE										
	CAPITAL PROJECTS GROUP	\$45,100,976	20,642	0%	408,415	2%	(387,773)	23,754,441	6,081,351	9,763,551	
			•		-		, , , , ,				
	TOTAL ALL GROUPS	\$45,100,976	20,642	0%	408,415	2%	(387,773)	23,754,441	6,081,351	9,763,551	
	TOTAL CASH AND INVESTMENTS									9,763,551	

<sup>&</sup>lt;sup>1</sup> Amount reserved for encumbrances, fixed asset replacement, long-term receivables



Redevelopment Agency Year to Date Revenues - Fiscal Year 2004/05 For the Month of July 2004 8% of Year Complete

FUND REVENUE SOURCE	ADOPTED BUDGET	AMENDED BUDGETED	CURRENT YTD ACTUAL	% OF BUDGET	PRIOR YTD	INCREASE (DECREASE) FROM PRIOR YTD	% CHANGE
CAPITAL PROJECTS FUNDS							
317 CAPITAL PROJECTS							
Property Taxes & Supplemental Roll	17,280,277	17,280,277	-	n/a	-	-	n/a
Development Agreements Interest Income, Rents Other Agencies/Current Charges	17,031	17,031	969 124		27,380	969 (27,256)	n/a n/a <u>-100%</u>
TOTAL CAPITAL PROJECTS	17,297,308	17,297,308	1,093	<u>0%</u>	27,380	(26,287)	<u>-96%</u>
327/328 HOUSING							
Property Taxes & Supplemental Roll Interest Income, Rent Other	4,737,350 112,277 	4,737,350 112,277 100	19,455 84 <u>10</u>	0%	- - 246	19,455 84 (236)	n/a n/a <u>-96%</u>
TOTAL HOUSING	4,849,727	4,849,727	19,549	<u>0%</u>	246	19,303	<u>7847%</u>
TOTAL CAPITAL PROJECTS FUNDS	22,147,035	22,147,035	20,642	0%	27,626	(6,984)	-25%



Redevelopment Agency Year to Date Expenditures - Fiscal Year 2003/04 For the Month of July 2004 8% of Year Complete

FUND NO.	FUND/ACTIVITY	THIS MONTH ACTUAL EXPENDITURES	ADOPTED BUDGET	AMENDED BUDGET	YTD EXPENDITURES	OUTSTANDING ENCUMBRANCES	TOTAL ALLOCATED	% OF TOTAL TO BUDGET
317 CA	PITAL PROJECTS							
	BAHS Administration BAHS Economic Developme BAHS CIP	93,411 232,051 22,097	1,545,675 3,125,435 8,782,152	1,591,154 3,219,800 12,273,879	93,411 232,051 22,097	45,479 94,365 3,491,727	138,890 326,416 3,513,824	9% 10% <u>29%</u>
тот	AL CAPITAL PROJECTS	347,559	13,453,262	<u>17,084,833</u>	347,559	3,631,571	3,979,130	<u>23%</u>
327 ANI	D 328 HOUSING							
	Housing	551,847	4,592,332	9,710,580	60,856	21,813	82,669	<u>1%</u>
то	TAL HOUSING	551,847	4,592,332	9,710,580	60,856	21,813	82,669	<u>1%</u>
TOTAL	CAPITAL PROJECT FUND	899,406	18,045,594	26,795,413	408,415	3,653,384	4,061,799	15%

Redevelopment Agency of the City of Morgan Hill Balance Sheet Report - Fiscal Year 2003/04 For the Month of July 2004 8% of Year Complete

	CAPITAL PROJECTS (Fund 317)	Housing (Fund 327/328)
ASSETS	· · · · · · · · · · · · · · · · · · ·	,
Cash and investments:		
Unrestricted Accounts Receivable	3,951,518	5,812,033
Loans and Notes Receivable <sup>1</sup>	8,274	7,805
Loans and Notes Receivable	3,327,828	24,132,268
Advance to Other Funds		
Fixed Assets <sup>2</sup>	71,049	
Other Assets	1 3,0 10	
Total Assets	7,358,669	29,952,106
LIABILITIES		
Accounts Payable and Accrued Liabilities	24,945	19,949
Deferred Revenue <sup>3</sup>	1,143,834	6,286,255
Accrued Vacation and Comp Time	1,140,004	0,200,200
Total liabilities	1,168,779	6,306,204
FUND BALANCE		
Fund Balance		
Tuna Balance		
Reserved for:		
Encumbrances	3,631,571	21,813
Advance to Other Funds		
Properties Held for Resale	71,049	47.040.044
Loans and Notes Receivable	2,183,994	17,846,014
Total Reserved Fund balance	5,886,614	17,867,827
. S.E	5,000,014	,507,027
Unreserved Fund Balance	303,276	5,778,075
	·	
Total Fund Balance	6,189,890	23,645,902
Total I inhilities and Found Balance	7.550.000	20.050.400
Total Liabilities and Fund Balance	7,358,669	29,952,106

<sup>&</sup>lt;sup>1</sup> Includes Housing Rehab loans and loans for several housing and Agency projects.

<sup>&</sup>lt;sup>2</sup> Includes RDA properties held for resale.

<sup>&</sup>lt;sup>3</sup> Includes the deferred payment portion of the loans noted above.



### **REDEVELOPMENT AGENCY STAFF REPORT MEETING DATE:** August 25, 2004

Agenda	Item	#	3	

**Prepared By:** 

BAHS Director

**Submitted By:** 

**Executive Director** 

#### REVISED BUSINESS ASSISTANCE GUIDELINES

**RECOMMENDED ACTION(S)**: Adopt the revised Business Assistance Guidelines.

#### **EXECUTIVE SUMMARY:**

In February 2004, the City Council adopted a goal which stated that "...the Economic Development Committee shall review existing Business Assistance Guidelines and recommend an appropriate "rate of return" on economic development investments that might be made from General Fund reserves." At a meeting to discuss the General Fund economic development investment policies, the City Council also requested the Council Economic Development (ED) Subcommittee to review the Agency's Business Assistance Guidelines (Guidelines). The purpose of the review was to evaluate the guidelines in regard to overall City investment policies and to reflect the current priorities of the Agency. It should be noted the Council/Agency's Economic Development Strategy also recommends that the ED Subcommittee annually review the Guidelines for consistency with the Council/Agency's current policies.

The ED Subcommittee has reviewed the Guidelines and recommends approval of their proposed revisions. For your convenience, attached is a redline of the Business Assistance Guidelines. Specifically, the ED Subcommittee revised the guidelines to target large generators of sales tax revenue (more than \$5M in taxable sales) and those businesses that represent "home runs" for the community such as a major retailer or specialty food store. The revised Guidelines clarify and set a new maximum level of assistance to be loaned to a potential eligible business. The new ratio is \$10 of Agency assistance for every \$1 of revenue generated by a business to the City's general fund over a one year period. Previously, the Guidelines established a ratio of \$4 for every \$1 generated over a 10 year period. In order for a business to be eligible for the maximum assistance, it must generate \$50,000 or more in direct sales and/or property tax to the City. A business that generates less than \$50,000 in revenues to the City may be eligible for financial assistance at a lower level, but its request would be evaluated based on well it meets the other criteria in the Guidelines. The sales and property taxes must be "new" or "added" revenue to the City. In other words, the revenue estimate should be adjusted to reflect sales possibly cannibalized from other similar businesses in town or if the City is currently receiving property tax from the development. The loan term has been reduced to a maximum of 10 years from 25 years and the interest rate would be at 0% interest.

Upon adoption, staff will finalize these revisions and begin to use these parameters in its economic development activities.

FISCAL IMPACT: None at this time.



# CITY COUNCIL STAFF REPORT MEETING DATE: August 25, 2004

#### JUNE 2004 FINAL FINANCE & INVESTMENT REPORT

Agenda Item # 4
Prepared By:
Finance Director
Submitted By:
City Manager

#### **RECOMMENDED ACTION:**

Accept and File Report

#### **EXECUTIVE SUMMARY:**

Attached is the final monthly *unaudited* Finance and Investment Report for the period ended June 30, 2004. The report covers the twelve months of activity for the 2003/2004 fiscal year. A summary of the report is included on the first page for the City Council's benefit.

The monthly Finance and Investment Report is presented to the City Council and our Citizens as part of our ongoing commitment to improve and maintain public trust through communication of our finances, budget and investments. The report also serves to provide the information necessary to determine the adequacy/stability of financial projections and develop equitable resource/revenue allocation procedures.

This report covers all fiscal activity in the City, including the Redevelopment Agency. The Redevelopment Agency receives a separate report for the fiscal activity of the Agency at the meeting of the Agency. Presenting this report is consistent with the goal of *Maintaining and Enhancing the Financial Viability of the City*.

FISCAL IMPACT: as presented

# CITY OF MORGAN HILL Monthly Financial and Investment Reports

June 30, 2004 -100% Year Complete



Prepared by:

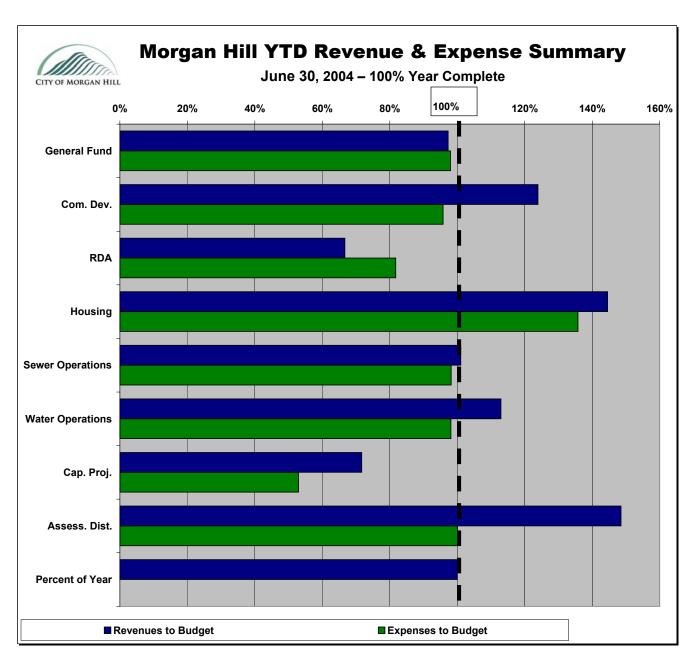
FINANCE DEPARTMENT



### UNAUDITED FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2003/04 FOR THE MONTH OF JUNE 2004 - 100% OF YEAR COMPLETE

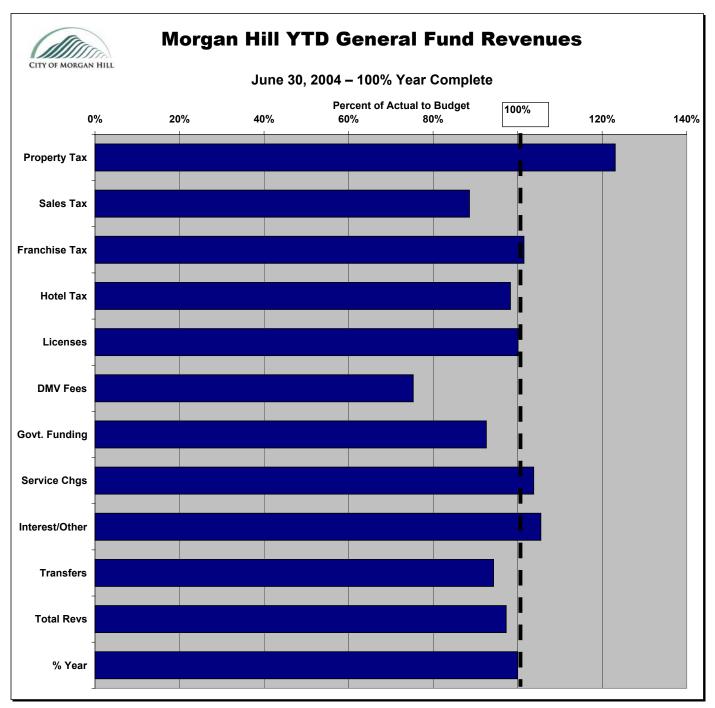
This analysis of the status of the City's financial situation reflects 100% of the year.

- \* General Fund The revenues received in the General Fund were 97% of the budgeted revenues. Property related taxes received by the City preliminarily amounted to 123% of the budget. The amount of Sales Tax collected was 89% of the sales tax revenue budget, or 11% less than the amount collected for the same period last year. Franchise fees were 102% of budget. Business license and other permit collections were 100% of the budgeted amount, or 3% more than the amount received during the same period last year. Motor Vehicle-in-Lieu revenues were only \$1,566,611, or 75% of the budgeted amount, which was 23% less than the amount received as of this time last year. This drop in Motor Vehicle-in-Lieu fees was caused by the State's elimination of the "State backfill" for these fees for at least a three month period, resulting in much lower fees received by the City. Interest & Other Revenue were 106% of budget.
- \* The General Fund expenditures and encumbrances to date totaled 98% of the budgeted appropriations. Staff will return to the City Council with certain 2003/04 budgetary expenditure revisions. The net operating deficit for the year ended June 30 was (\$808,181), or \$117,888 less than the deficit originally projected in the 2004/05 budget.
- \* Transient Occupancy (Hotel) Tax The TOT rate is 10%. The City receives transient occupancy taxes on a quarterly basis. Taxes for the current year amounted to \$874,605, or 98% of budget, which was 1% less than the amount received in the prior year by this point.
- \* Community Development Revenues were 124% of budget, which was 10% more than the amount collected in the like period for the prior year. Planning expenditures plus encumbrances were 112% of budget; Building has expended or encumbered 82% of budget and Engineering 90%. Community Development has expended or encumbered a combined total of 96% of the 2003/04 budget, including \$201,037 in encumbrances. If encumbrances were excluded, Community Development would have spent only 90% of the combined budget.
- \* RDA and Housing Property tax increment revenues amounting to \$18,223,208 have been received as of June 30, 2004. Expenditures plus encumbrances totaled 79% of budget. If encumbrances totaling \$3,653,384 were excluded, the RDA would have spent only 71% of the combined budget. In July, the RDA spent \$3.4 million toward the Courthouse Project acquisition and, in March, spent another \$875,000 toward construction of the Courthouse Project. In August, the Agency made a \$2.55 million installment payment toward the purchase of the Sports Fields Complex property. In April, the Agency made the final installment payment of \$3,250,000 on the Gunderson property. In July, the Agency made a \$3 million loan to South County Housing for the Royal Court Housing. Through June 30, 2004, \$9.7 million in costs had been incurred for the construction of the Aquatics Center Project.
- \* Water and Sewer Operations- Water Operations revenues, including service fees, were 113% of budget. Expenditures totaled 98% of appropriations. Sewer Operations revenues, including service fees, were 101% of budget. Expenditures for sewer operations were 98% of budget.
- \* Investments maturing/called/sold during this period. During the month of June, \$4 million was invested in new Federal Agency investments. Further details of all City investments are contained on pages 6-8 of this report.



	REVENU	ES	EXPENS	6/30/2004	
		% OF	ACTUAL plus	% OF	UNRESTRICTED
FUND NAME	ACTUAL	BUDGET	ENCUMBRANCES	BUDGET	FUND BALANCE
General Fund	\$15,638,968	97%	\$16,447,149	98%	\$10,313,324
Community Development	2,870,994	124%	3,187,699	96%	1,235,025
RDA	15,696,467	67%	33,652,231	82%	646,351
Housing/CDBG	5,772,086	145%	6,604,858	136%	5,763,817
Sewer Operations	5,543,537	101%	7,376,655	98%	3,213,303
Sewer Other	3,052,203	246%	1,853,745	35%	12,546,893
Water Operations	7,987,889	113%	7,817,934	98%	2,751,768
Water Other	2,074,463	191%	3,730,042	50%	2,954,447
Other Special Revenues 1	1,893,603	168%	1,677,832	59%	3,256,601
Capital Projects & Streets Funds	9,713,896	72%	12,160,772	53%	22,362,065
Debt Service Funds	234,149	149%	236,533	100%	505,995
Internal Service	4,105,975	100%	3,951,755	98%	4,752,924
Agency	3,265,355	122%	4,583,127	176%	3,882,946
<del> </del>			_		
TOTAL FOR ALL FUNDS	\$77,849,585	94%	\$103,280,332	79%	\$74,185,459

<sup>&</sup>lt;sup>1</sup> Includes all Special Revenue Funds except Community Development, CDBG, and Street Funds

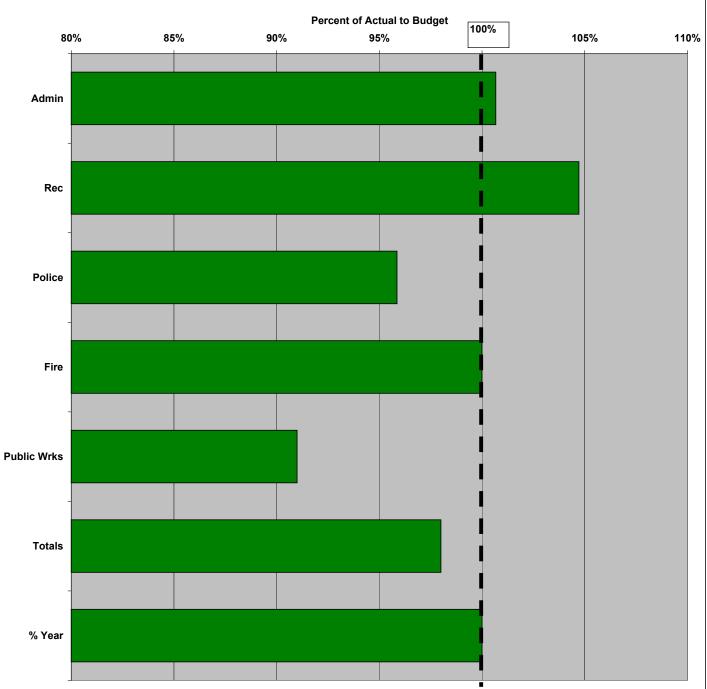


			% OF	PRIOR YEAR	% CHANGE FROM
REVENUE CATEGORY	BUDGET	ACTUAL	BUDGET	TO DATE	PRIOR YEAR
PROPERTY RELATED TAXES	\$2,440,000	\$3,002,453	123%	\$2,603,516	15%
SALES TAXES	\$4,923,000	\$4,360,358	89%	\$4,901,530	-11%
FRANCHISE FEE	\$961,180	\$975,498	102%	\$966,134	1%
HOTEL TAX	\$890,000	\$874,605	98%	\$882,194	-1%
LICENSES/PERMITS	\$202,600	\$202,784	100%	\$196,209	3%
MOTOR VEHICLE IN LIEU	\$2,080,000	\$1,566,611	75%	\$2,035,157	-23%
<b>FUNDING - OTHER GOVERNMENTS</b>	\$271,900	\$251,759	93%	\$163,211	54%
CHARGES CURRENT SERVICES	\$2,588,137	\$2,685,432	104%	\$2,214,079	21%
INTEREST & OTHER REVENUE	\$893,050	\$942,410	106%	\$827,874	14%
TRANSFERS IN	\$823,986	\$777,058	94%	\$925,332	-16%
TOTALS	\$16,073,853	\$15,638,968	97%	\$15,715,236	

# CITY OF MORGAN HILL

### **Morgan Hill YTD General Fund Expenditures**

June 30, 2004 - 100% Year Complete



Expenditure Category	Budget	Actual Plus Encumbrances	% of Budget	
ADMINISTRATION	3,279,302	3,219,766	101%	
RECREATION	2,012,348	2,107,204	105%	
POLICE	6,812,300	6,530,107	96%	
FIRE	3,745,220	3,744,977	100%	
PUBLIC WORKS	822,840	748,741	91%	
	•			
TOTALS	\$ 16,783,364	\$ 16,447,149	98%	



City of Morgan Hill Fund Activity Summary - Fiscal Year 2003/04 Final For the Month of June 2004 100% of Year Completed

		000000000000000000000000000000000000000	Revenues	10070 01 1	Expenses		Year to-Date	Ending Fun	d Balance	Cash and In	vestments
Fund		Fund Balance	YTD	% of	YTD	% of	Deficit or				
No.	Fund	06-30-03	Actual	Budget	Actual	Budget	Carryover	Reserved <sup>1</sup>	Unreserved	Unrestricted	Restricted <sup>2</sup>
010	GENERAL FUND	\$11,136,505	\$15,638,968	97%	\$16,197,708	97%	(\$558,740)	\$264,441	\$10,313,324	\$11,252,012	\$5,400
TOTAL G	SENERAL FUND	<u>\$11,136,505</u>	<u>\$15,638,968</u>	<u>97%</u>	<u>\$16,197,708</u>	<u>97%</u>	<u>(\$558,740)</u>	<u>\$264,441</u>	<u>\$10,313,324</u>	<u>\$11,252,012</u>	<u>\$5,400</u>
202	STREET MAINTENANCE	\$1,683,131	\$2,126,014	153%	\$2,342,390	78%	(\$216,376)	\$254,570	\$1,212,185	\$1,191,820	
204/205	PUBLIC SAFETY/SUPPL. LAW	\$485,350	\$110,003	99%	\$273,582	100%	(\$163,579)		\$321,771	\$320,753	
206	COMMUNITY DEVELOPMENT	\$1,551,730	\$2,870,994	124%	\$2,986,662	90%	(\$115,668)	\$201,037	\$1,235,025	\$1,544,586	
207	GENERAL PLAN UPDATE	\$190,845	\$104,085	137%	\$63,022	32%	\$41,063	\$87,837	\$144,071	\$231,487	
210	COMMUNITY CENTER	\$360,157	\$4,465	72%	\$265,000	85%	(\$260,535)		\$99,622	\$99,338	
215 / 216	CDBG	\$636,136	\$31,010	20%	\$206,744	45%	(\$175,734)	482,643	(\$22,241)	\$94,477	
220	MUSEUM RENTAL	\$1,274	\$974	2376%	\$2,248	93%	(\$1,274)				
225	ASSET SEIZURE	\$38,096	\$839	144%		n/a	\$839		\$38,935	\$38,825	
229	LIGHTING AND LANDSCAPE	\$33,766	\$134,309	105%	\$169,197	101%	(\$34,888)	\$9,722	(\$10,844)	\$12,494	
232	ENVIRONMENT PROGRAMS	\$613,697	\$453,968	117%	\$393,006	79%	\$60,962	\$25,123	\$649,536	\$544,286	
234	MOBILE HOME PK RENT STAB.	\$9,808	\$304,527	99%	\$145,863	43%	\$158,664	\$195,343	(\$26,871)	\$207,469	
235	SENIOR HOUSING	\$255,610	\$5,545	80%	\$8,600	60%	(\$3,055)		\$252,555	\$253,991	
236	HOUSING MITIGATION	\$1,043,306	\$112,981	407%	15,000	1%	\$97,981	-	\$1,141,287	\$1,139,949	
240	EMPLOYEE ASSISTANCE	\$8,921	\$91,907	115%	24,289	121%	\$67,618		\$76,539	\$79,519	
247	ENVIRONMENT REMEDIATION		570,000	n/a			\$570,000		\$570,000	\$570,000	
TOTAL S	PECIAL REVENUE FUNDS	<u>\$6,911,827</u>	<u>\$6,921,621</u>	<u>139%</u>	<u>\$6,895,603</u>	<u>71%</u>	<u>\$26,018</u>	<u>\$1,256,275</u>	<u>\$5,681,570</u>	<u>\$6,328,994</u>	
301	PARK DEV. IMPACT FUND	\$3,191,630	\$992,617	228%	\$396,162	19%	\$596,455	\$75,389	\$3,712,696		\$3,793,652
302	PARK MAINTENANCE	\$2,909,243	\$336,330	130%	\$200,000	100%	\$136,330		\$3,045,573	\$3,036,964	
303	LOCAL DRAINAGE	\$2,910,954	\$224,483	77%	\$109,100	5%	\$115,383		\$3,026,337		\$3,017,646
304	LOCAL DRAINAGE/NON-AB1600	\$3,276,514	\$153,722	98%	\$182,815	84%	(\$29,093)	\$13,070	\$3,234,351	\$3,152,011	
305	OFF-STREET PARKING	\$4,020	\$65	68%	4,085	102%	(\$4,020)				
306	OPEN SPACE	\$458,488	\$240,241	418%			\$240,241	\$10,000	\$688,729	\$696,886	
309	TRAFFIC IMPACT FUND	\$2,826,115	\$1,476,623	223%	\$1,191,093	59%	\$285,530	\$430,879	\$2,680,766		\$3,299,826
311	POLICE IMPACT FUND	\$1,183,045	\$125,271	243%	\$1,225,579	100%	(\$1,100,308)	\$10,000	\$72,737		\$79,167
313	FIRE IMPACT FUND	\$2,603,859	\$248,727	168%	\$520,249	94%	(\$271,522)	\$9,101	\$2,323,236		\$2,325,841
317	REDEVELOPMENT AGENCY	\$20,860,548	\$15,696,467	67%	\$30,020,660	73%	(\$14,324,193)	5,890,004	\$646,351	\$5,964,261	
	HOUSING	\$24,240,428	\$5,741,076	150%	\$6,294,296	65%	(\$553,220)	17,901,150	\$5,786,058	\$6,247,008	
340	MORGAN HILL BUS.RANCH I	\$48,290	\$1,059	93%			\$1,059		\$49,349	\$49,211	
342	MORGAN HILL BUS.RANCH II	\$54,233	1,189	n/a			\$1,189		\$55,422	\$55,266	
346	PUBLIC FACILITIES NON-AB1600	\$1,332,714	\$2,969,322	30%	3,366,616		(\$397,294)	\$605,058	\$330,362	\$1,417,495	
347	PUBLIC FACILITIES IMPACT FUND	\$665,032	\$618,600	397%	\$969,401	101%	(\$350,801)	9,750	\$304,481		\$275,594
348	LIBRARY IMPACT FUND	\$414,456	\$76,464	248%	\$225	100%	\$76,239		\$490,695		\$489,334
350	UNDERGROUNDING	\$1,257,217	104,270	331%	\$213,343	49%	(\$109,073)	31,897	\$1,116,247	\$1,179,698	
360	COMM/REC CTR IMPACT FUND		18,899	331%		49%	\$18,899		\$18,899	\$18,861	
TOTAL C	APITAL PROJECT FUNDS	<u>\$68,236,786</u>	<u>\$29,025,425</u>	<u>73%</u>	\$44,693,624	<u>63%</u>	<u>(\$15,668,199)</u>	<u>\$24,986,298</u>	<u>\$27,582,289</u>	<u>\$21,817,661</u>	<u>\$13,281,060</u>
527	HIDDEN CREEK			n/a						1	
533	DUNNE/CONDIT			n/a							
536	ENCINO HILLS	\$68,027	\$1,491	91%			\$1,491		\$69,518	\$69,323	
539	MORGAN HILL BUS. PARK	\$11,867	\$260	58%			\$260		\$12,127	\$12,092	
542	SUTTER BUSINESS PARK	\$24,910	\$546	75%			\$546		\$25,456	\$25,385	
545	COCHRANE BUSINESS PARK	\$374,418	\$196,068	164%	\$195,393	100%	\$675		\$375,093	\$193,302	\$180,950
551	JOLEEN WAY	\$29,157	\$35,784	102%	\$41,140	101%	(\$5,356)		\$23,801	\$6,527	\$17,250
TOTAL D	EBT SERVICE FUNDS	\$508,379	\$234,149	149%	\$236,533	100%	(\$2,384)		\$505,995	\$306,629	\$198,200



City of Morgan Hill Fund Activity Summary - Fiscal Year 2003/04 Final For the Month of June 2004 100% of Year Completed

	,	9111.911110		100 /0 01	rear Completed						
			Revenues		Expenses		Year to-Date	Ending Fun	id Balance	Cash and In	vestments
Fund		Fund Balance	YTD	% of	YTD	% of	Deficit or				
No.	Fund	06-30-03	Actual	Budget	Actual	Budget	Carryover	Reserved <sup>1</sup>	Unreserved	Unrestricted	Restricted <sup>2</sup>
	-										
040	CEWED ODEDATIONS	C4C 004 004	\$5.543.537	101%	Φ7 00F 447	97%	(04.754.040)	C44 020 470	#0.040.000	CO 450 044	\$1.893.448
640	SEWER OPERATIONS	\$16,004,091	+ - , ,		\$7,295,147		(\$1,751,610)	\$11,039,178	\$3,213,303	\$3,152,811	. , , ,
641	SEWER IMPACT FUND	\$7,772,110	\$2,319,288	370%	\$775,919	21%	\$1,543,369	3,266,076	\$6,049,403	00.000.000	\$6,377,699
642	SEWER RATE STABILIZATION	\$3,804,228	\$171,467	191%	\$2,369	100%	\$169,098	0.004.007	\$3,973,326	\$3,962,330	
643	SEWER-CAPITAL PROJECTS	\$9,683,556	\$561,448	107%	\$789,503	49%	(\$228,055)	6,931,337	\$2,524,164	\$2,781,850	
650	WATER OPERATIONS	\$21,476,576	\$7,987,889	113%	\$7,295,489	59%	\$692,400	\$19,417,208	\$2,751,768	\$2,858,625	\$390,261
651	WATER IMPACT FUND	\$3,271,280	\$1,267,381	192%	\$1,252,091	47%	\$15,290	3,479,132	(\$192,563)		
652	WATER RATE STABILIZATION	\$867,428	\$9,665	47%	\$850,551	100%	(\$840,886)		\$26,542	\$26,094	
653	WATER -CAPITAL PROJECT	\$9,092,130	\$797,417	198%	\$1,297,608	44%	(\$500,191)	5,471,471	\$3,120,468	\$3,420,869	
<b>TOTAL E</b>	NTERPRISE FUNDS	\$71,971,399	\$18,658,092	125%	\$19,558,677	72%	(\$900,585)	\$49,604,402	\$21,466,411	\$16,202,579	\$8,661,408
		<u>+</u>	<u> </u>	12474	<del></del>	<u></u>	1,7223,2237	<u> </u>	<del>111</del>	<del>4 : 0   0 : 0  </del>	40,000,000
730	DATA PROCESSING	\$436,026	\$280,781	114%	\$207,533	79%	\$73,248	71,580	\$437,694	\$472,122	ı
740	BUILDING MAINTENANCE	\$400.151	\$892,494	100%	\$522.036	78%	\$370,458	29,198	\$741,411	\$816,416	
745	CIP ADMINISTRATION	\$59.437	\$1,297,427	90%	\$1,335,990	86%	(\$38,563)	93,528	(\$72,654)	\$119,790	
760	UNEMPLOYMENT INS.	\$47,278	\$22,088	75%	\$39,650	132%	(\$17,562)	33,320	\$29,716	\$29,716	
770	WORKER'S COMP.	\$6,147	\$727,993	106%	\$790,187	107%	(\$62,194)	22,575	(\$78,622)	\$563,028	\$40,000
790	EQUIPMENT REPLACEMENT	\$3,379,971	\$257,009	96%	\$252,322	97%	\$4,687	554,033	\$2,830,625	\$3,030,748	Ψ40,000
790	CORPORATION YARD	\$264,851	\$237,009	146%	\$214,985	126%	\$18,251	268,446	\$14,656	\$31,074	
795 795		. ,	\$394.947		\$401.517	108%	. ,	200,440	\$850.098		
795	GEN'L LIABILITY INS.	\$856,668	\$394,947	101%	\$401,517	108%	(\$6,570)		\$850,098	\$1,182,637	
<b>TOTAL IN</b>	NTERNAL SERVICE FUNDS	<u>\$5,450,529</u>	<u>\$4,105,975</u>	<u>100%</u>	\$3,764,220	<u>93%</u>	<u>\$341,755</u>	<u>\$1,039,360</u>	\$4,752,924	<u>\$6,245,531</u>	<u>\$40,000</u>
820	SPECIAL DEPOSITS									\$927,821	
841	M.H. BUS.RANCH A.D.	\$1,649,856	\$729,134	99%	\$2,010,915	278%	(\$1,281,781)		\$368,075	\$367,926	
842	M.H. BUS. RANCH II A.D.	\$107,240	\$66,686	179%	\$142,546	367%	(\$75,860)		\$31,380	\$31,367	
843	M.H. BUS. RANCH 1998	\$1,492,569	\$676,569	189%	\$873,884	100%	(\$197,315)		\$1,295,254	\$408,879	\$885,879
844	MH RANCH RSMNT 2004A		\$760,818		\$574,074	n/a	\$186,744		\$186,744	\$404	\$186,325
845	MADRONE BP-TAX EXEMPT	\$1,312,253	\$795,504		\$809,419	101%	(\$13,915)		\$1,298,338	\$498,796	\$799,148
846	MADRONE BP-TAXABLE	\$256,944	\$167,041	122%	\$172,289	100%	(\$5,248)		\$251,695	\$97,338	\$154,294
848	TENNANT AVE.BUS.PK A.D.	\$360,919	\$69,139	189%	¥,	na	\$69,139		\$430,058	\$428,854	<del></del>
881	POLICE DONATION TRUST FUND	\$20,938	\$464	189%			\$464		\$21,402	<b>+</b> 1.20,001	\$21,342
		· , ,	·		4	.=	, , ,		. , , ,	40	
TOTAL A	GENCY FUNDS	<u>\$5,200,719</u>	<u>\$3,265,355</u>	<u>122%</u>	<u>\$4,583,127</u>	<u>176%</u>	<u>(\$1,317,772)</u>		<u>\$3,882,946</u>	<u>\$2,761,385</u>	<u>\$2,046,988</u>
SUMMAR	RY BY FUND TYPE										
	GENERAL FUND GROUP	\$11,136,505	\$15,638,968	97%	\$16,197,708	97%	(\$558,740)	\$264,441	\$10,313,324	\$11,252,012	\$5,400
	SPECIAL REVENUE GROUP	\$6,911,827	\$6,921,621	139%	\$6,895,603	71%	\$26,018	\$1,256,275	\$5,681,570	\$6,328,994	ψο, 100
	DEBT SERVICE GROUP	\$508,379	\$234,149	149%	\$236,533	100%	(\$2,384)	Ψ1,200,210	\$505,995	\$306,629	\$198,200
	CAPITAL PROJECTS GROUP	\$68,236,786	\$29,025,425	73%	\$44,693,624	63%	(\$15,668,199)	\$24,986,298	\$27,582,289	\$21,817,661	\$13,281,060
	ENTERPRISE GROUP	\$71,971,399	\$18,658,092	125%	\$19,558,677	72%	(\$900,585)	\$49,604,402	\$21,466,411	\$16,202,579	\$8,661,408
	INTERNAL SERVICE GROUP	\$5,450,529	\$4,105,975	100%	\$3,764,220	93%	\$341,755	\$1,039,360	\$4,752,924	\$6,245,531	\$40,000
	AGENCY GROUP	\$5,430,329	\$3,265,355	122%	\$4,583,127	176%	(\$1,317,772)	ψ1,008,000	\$3,882,946	\$2,761,385	\$2,046,988
		. , , ,								. , , , ,	
	TOTAL ALL GROUPS	<u>\$169,416,144</u>	<u>\$77,849,585</u>	<u>94%</u>	<u>\$95,929,492</u>	<u>73%</u>	<u>(\$18,079,907)</u>	<u>\$77,150,776</u>	<u>\$74,185,459</u>	<u>\$64,914,791</u>	<u>\$24,233,057</u>
	TOTAL CASH AND INVESTMENTS									\$89,147,848	
	TOTAL GAGITARD INVESTIMENTS									ψυυ, 141,040	

For Enterprise Funds - Unrestricted fund balance = Fund balance net of fixed assets and long-term liabilities.

<sup>&</sup>lt;sup>1</sup> Amount restricted for encumbrances, fixed asset replacement, long-term receivables, and bond reserves.

<sup>&</sup>lt;sup>2</sup> Amount restricted for debt service payments and AB1600 capital expansion projects as detailed in the City's five year CIP Plan and bond agreements.



#### CITY OF MORGAN HILL CASH AND INVESTMENT REPORT FOR THE MONTH OF JUNE 2004 FOR THE FISCAL YEAR OF 2003-04

	Invested		Book Value	Investment Category	% of	Market
	in Fund	Yield	End of Month	Subtotal at Cost	Total	Value
<u>Investments</u>	<u> </u>				•	
State Treasurer LAIF - City	All Funds Pooled	1.47%	\$26,388,757		29.60%	\$26,346,116
- RDA	RDA	1.47%	\$5,462,440		6.13%	\$5,453,614
- Corp Yard	Corp Yard	1.47%	\$52,203		0.06%	\$52,119
Federal Issues	All Funds Pooled	3.20%	\$49,245,448		55.25%	\$48,430,893
SVNB CD	All Funds Pooled	2.50%	\$2,000,000		2.24%	\$2,000,000
Money Market	All Funds Pooled	0.99%	\$62,394	\$83,211,242	0.07%	\$62,394
Bond Reserve Accounts - held by trustees						
BNY - 2002 SCRWA Bonds						
MBIA Repurchase & Custody Agmt	Sewer	4.78%	\$1,849,400			
Blackrock Provident Temp Fund		0.66%	\$44,048		2.12%	\$1,893,448
US Bank - 1999 Water C.O.P.						
First American Treasury Obligation	Water	0.44%	\$390,261		0.44%	\$390,261
US Bank - MH Ranch 98	MH Ranch					
First American Treasury Obligation	Agency Fund	0.44%	\$885,879		0.99%	\$885,879
US Bank - Madrone Bus Park Tax Exempt	Madrone Bus Park					
First American Treasury Obligation	Agency Fund	0.44%	\$799,148		0.90%	\$799,148
US Bank - Madrone Bus Park Taxable	Madrone Bus Park					
First American Treasury Obligation	Agency Fund	0.44%	\$154,294		0.17%	\$154,294
BNY - MH Ranch 2004 A	MH Ranch Bus Park					
Blackrock Provident Temp Fund	Agency Fund	0.66%	\$186,325	\$4,309,355	0.21%	\$186,325
Checking Accounts						
General Checking	All Funds		\$1,500,000		1.68%	\$1,500,000
Dreyfuss Treas Cash Management Account	All Funds		\$81,851		0.09%	\$81,851
Athens Administators Workers' Comp	Workers' Comp		\$40,000		0.04%	\$40,000
Petty Cash & Emergency Cash	Various Funds	-	\$5,400	\$1,627,251	0.01%	\$5,400
Total Cash and Investments			\$89,147,848	<u>\$89,147,848</u>	100.00%	\$88,281,742
MH Financing Authority Investment in MH Ranch AD Imprvmt Bond Series 2004	ı	1.75% to 4.50%	<u>\$4,795,000</u>			<u>Unavailable</u>

#### CASH ACTIVITY SUMMARY FY 03/04

	7/1/2003	Change in	06/30/04		
Fund Type	Balance	Cash Balance	Balance	Restricted	Unrestricted
General Fund	\$11,198,677	\$58,735	\$11,257,412	\$5,400	\$11,252,012
Community Development	\$1,598,168	(\$53,582)	\$1,544,586	\$0	\$1,544,586
RDA (except Housing)	\$18,789,948	(\$12,825,687)	\$5,964,261	\$0	\$5,964,261
Housing / CDBG	\$6,264,517	\$76,968	\$6,341,485	\$0	\$6,341,485
Water - Operations	\$2,197,360	\$1,051,526	\$3,248,886	\$390,261	\$2,858,625
Water Other	\$4,882,333	(\$1,435,370)	\$3,446,963	\$0	\$3,446,963
Sewer - Operations	\$6,399,908	(\$1,353,649)	\$5,046,259	\$1,893,448	\$3,152,811
Sewer Other	\$11,899,860	\$1,222,019	\$13,121,879	\$6,377,699	\$6,744,180
Other Special Revenue	\$3,011,901	\$486,210	\$3,498,111	\$0	\$3,498,111
Streets and Capital Projects (except RDA)	\$24,402,072	(\$322,800)	\$24,079,272	\$13,281,060	\$10,798,212
Assessment Districts	\$504,821	\$8	\$504,829	\$198,200	\$306,629
Internal Service	\$5,993,387	\$292,144	\$6,285,531	\$40,000	\$6,245,531
Agency Funds	\$5,943,872	(\$1,135,499)	\$4,808,373	\$2,046,988	\$2,761,385
Total	<u>\$103,086,824</u>	(\$13,938,976)	\$89,147,848	\$24,233,057	\$64,914,791

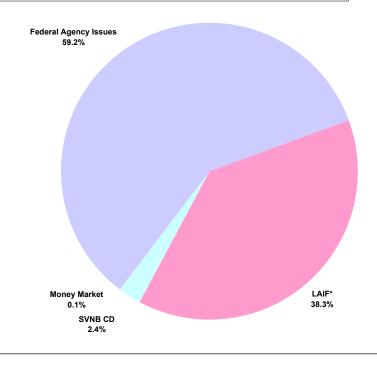
Note: See Investment Porfolio Detail for maturities of "Investments." Market values are obtained from the City's investment brokers' monthly reports.

I certify the information on the investment reports on pages 6-8 has been reconciled to the general ledger and bank statements and that there are sufficient funds to meet the expenditure requirements of the City for the next six months. The portfolio is in compliance with the City of Morgan Hill investment policy and all State laws and regulations.

Prepared by:		Approved by:		
	Lourdes Reroma Accountant I	, , , , , , , , , , , , , , , , , , , ,	Jack Dilles Director of Finance	
Verified by:	Ting Days		Miles Deards	
	Tina Reza Assistant Director of Finance		Mike Roorda City Treasurer	

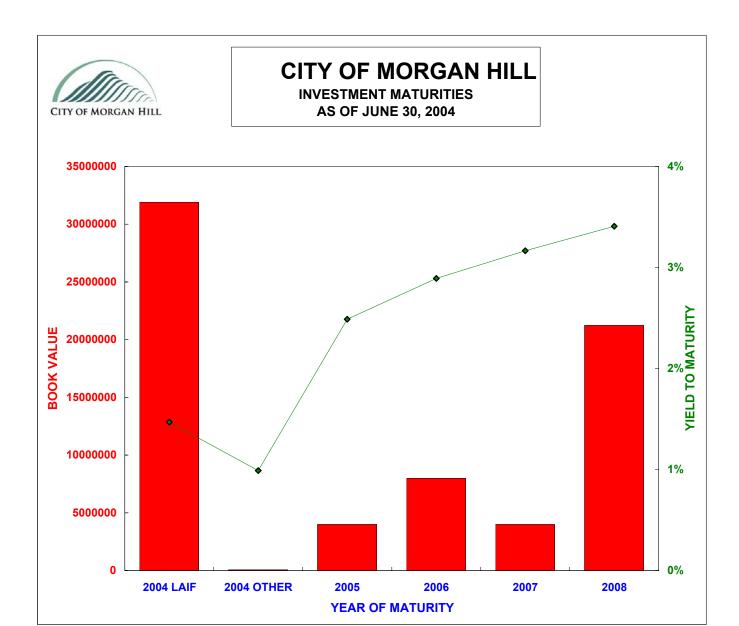


### CITY OF MORGAN HILL INVESTMENT PORTFOLIO DETAIL as of 06/30/04



Investment Type	Purchase Date	Book Value	% of Portfolio	Market Value	Stated Rate	Interest Earned	Next Call Date	Date of Maturity	Years to Maturity
LAIF*		\$31,903,400	38.34%	\$31,851,849	1.469%	\$660,299			0.003
SVNB CD	07/07/03	\$2,000,000	2.40%	\$2,000,000	2.500%	\$34,000		07/07/05	1.019
Federal Agency Issues									
Fed Home Loan Bank	05/21/04	\$2,000,000	2.40%	\$1,997,500	2.474%	\$5,513	07/21/04	11/21/05	1.392
Fed Home Loan Bank	02/26/04	\$2,000,000	2.40%	\$1,985,620	2.563%	\$17,744	08/26/04	05/26/06	1.901
Fed Home Loan Bank	06/02/04	\$2,000,000	2.40%	\$2,000,000	3.100%	\$4,913	07/02/04	06/02/06	1.921
Fed Home Loan Bank	06/07/04	\$2,000,000	2.40%	\$2,003,120	3.250%	\$4,262	09/07/04	09/07/06	2.186
Fed Home Loan Bank	03/29/04	\$2,000,000	2.40%	\$1,953,120	2.650%	\$13,538	09/29/04	12/29/06	2.496
Fed Home Loan Bank	03/18/04	\$2,000,000	2.40%	\$1,973,120	3.030%	\$17,291	09/18/04	06/18/07	2.964
Fed Home Loan Bank	03/29/04	\$2,000,000	2.40%	\$1,944,380	3.300%	\$16,859	09/28/04	12/28/07	3.493
Fed Home Loan Mgt Corp	03/12/03	\$2,000,000	2.40%	\$1,981,080	3.500%	\$70,000	09/12/04	03/12/08	3.699
Fed Home Loan Bank	03/26/03	\$2,000,000	2.40%	\$1,970,000	3.375%	\$67,500	anytime	03/26/08	3.737
Fed Home Loan Mgt Corp	04/16/03	\$2,000,000	2.40%	\$1,984,360	3.600%	\$72,000	10/16/04	04/16/08	3.795
Fed Home Loan Mgt Corp	04/17/03	\$1,995,448	2.40%	\$1,976,500	3.625%	\$75,022	10/17/04	04/17/08	3.797
Fed Farm Credit Bank	06/03/03	\$2,000,000	2.40%	\$1,950,620	3.210%	\$64,200	12/03/04	06/03/08	3.926
Fed Farm Credit Bank	06/12/03	\$2,000,000	2.40%	\$1,931,260	2.950%	\$59,000	07/30/04	06/12/08	3.951
Fed Home Loan Bank	07/30/03	\$2,000,000	2.40%	\$1,930,620	3.000%	\$55,220	07/30/04	07/30/08	4.082
Fed Home Loan Bank	07/30/03	\$2,000,000	2.40%	\$1,950,620	3.243%	\$60,190	07/30/04	07/30/08	4.082
Fed Home Loan Bank	07/30/03	\$2,000,000	2.40%	\$1,960,000	3.400%	\$62,582	07/30/04	07/30/08	4.082
Fed Home Loan Bank	08/14/03	\$1,250,000	1.50%	\$1,237,113	3.690%	\$40,549	08/14/04	08/14/08	4.123
Fed Home Loan Bank	10/15/03	\$2,000,000	2.40%	\$1,993,120	4.000%	\$28,415	10/15/04	10/15/08	4.293
Fed Farm Credit Bank	03/16/04	\$2,000,000	2.40%	\$1,912,500	3.650%	\$21,226	anytime	03/16/09	4.710
Fed Home Loan Bank	03/26/04	\$2,000,000	2.40%	\$1,980,000	4.000%	\$21,746	07/26/04	03/26/09	4.737
Fed Home Loan Bank	04/06/04	\$2,000,000	2.40%	\$1,950,000	3.625%	\$17,036	10/06/04	04/06/09	4.767
Fed Home Loan Bank	04/07/04	\$2,000,000	2.40%	\$1,948,120	3.600%	\$16,721	07/07/04	04/07/09	4.770
Fed National Mortgage	04/16/04	\$2,000,000	2.40%	\$1,958,120	3.750%	\$15,574	07/16/04	04/16/09	4.795
Fed Home Loan Bank	04/29/04	\$2,000,000	2.40%	\$1,957,500	3.750%	\$12,910	07/29/04	04/29/09	4.830
Fed Home Loan Bank	05/18/04	\$2,000,000	2.40%	\$2,002,500	4.500%	\$10,761	07/18/04	05/18/09	4.882
Redeemed FY 03/04						\$352,213			
Sub Total/Average		\$49,245,448	59.18%	\$48,430,893	3.204%	\$1,202,985			3.732
Money Market		\$62,394	0.07%	\$62,394	0.990%	\$8,729			0.003
TOTAL/AVERAGE		\$83,211,242	100.00%	\$82,345,135	2.630%	\$1,906,013			2.236

<sup>\*</sup>Per State Treasurer Report dated 05/31/2004, LAIF had invested approximately 13% of its balance in Treasury Bills and Notes, 21% in CDs, 20% in Commercial Paper and Corporate Bonds, 0% in Banker's Acceptances and 46% in others.



YEAR OF	BOOK	MARKET	AVERAGE	% OF
MATURITY	VALUE	VALUE	RATE	TOTAL
2004 LAIF	\$31,903,399	\$31,851,849	1.469%	38.34%
2004 OTHER	\$62,394	\$62,394	0.990%	0.07%
2005	\$4,000,000	\$3,997,500	2.487%	4.81%
2006	\$8,000,000	\$7,941,860	2.891%	9.61%
2007	\$4,000,000	\$3,917,500	3.165%	4.81%
2008	\$21,245,448	\$20,865,293	3.408%	25.53%
2009	\$14,000,000	\$13,708,740	3.839%	16.82%
TOTAL	\$83,211,241	\$82,345,135	2.630%	100.00%



FUND REVENUE SOURCE	ADOPTED BUDGET	AMENDED BUDGET	CURRENT YTD ACTUAL	% OF BUDGET	PRIOR YTD	INCR (DECR) FROM PRIOR YTD	% CHANGE
010 GENERAL FUND							
TAXES							
Property Taxes - Secured/Unsecured/Prio	1,972,200	1,972,200	2,363,025	120%	2,135,446	227,579	11%
Supplemental Roll	200,000	200,000	159,891	80%	179,659	(19,768)	-11%
Sales Tax	4,650,000	4,650,000	4,119,830	89%	4,636,927	(517,097)	-11%
Public Safety Sales Tax	273,000	273,000	240,528	88%	264,603	(24,075)	-9%
Transient Occupancy Taxes	890,000	890,000	874,605	98%	882,194	(7,589)	-1%
Franchise (Refuse ,Cable ,PG&E)	961,180	961,180	975,498	101%	966,134	9,364	1%
Property Transfer Tax	267,800	267,800	479,537	<u>179%</u>	288,411	191,126	<u>66%</u>
TOTAL TAXES	9,214,180	9,214,180	9,212,914	100%	9,353,374	(140,460)	-2%
LICENSES/PERMITS							
Business License	154,500	154,500	154,607	100%	150,636	3,971	3%
Other Permits	48,100	48,100	48,177	<u>100%</u>	45,573	2,604	<u>6%</u>
TOTAL LICENSES/PERMITS	202,600	202,600	202,784	100%	196,209	6,575	3%
FINES AND PENALTIES							
Parking Enforcement	13,400	13,400	12,980	97%	8,760	4,220	48%
City Code Enforcement	77,300	77,300	59,987	78%	62,994	(3,007)	-5%
Business tax late fee/other fines	2,600	2,600	1,304	<u>50%</u>	1,756	(452)	<u>-26%</u>
TOTAL FINES AND PENALTIES	93,300	93,300	74,271	80%	73,510	761	1%
OTHER AGENCIES							
Motor Vehicle in-Lieu	2,080,000	2,080,000	1,566,611	75%	2,035,157	(468,546)	-23%
Other Revenue - Other Agencies	271,900	271,900	251,759	<u>93%</u>	163,211	88,548	<u>54%</u>
TOTAL OTHER AGENCIES	2,351,900	2,351,900	1,818,370	77%	2,198,368	(379,998)	-17%
CHARGES CURRENT SERVICES							
False Alarm Charge	24,700	24,700	28,391	115%	31,296	(2,905)	-9%
Business License Application Review	20,900	20,900	25,797	123%	25,265	532	2%
Recreation Classes	352,740	352,740	254,359	72%	124,032	130,327	105%
General Administration Overhead	2,007,978	2,007,978	2,007,978	100%	1,855,934	152,044	8%
Other Charges Current Services	181,819	181,819	368,907	<u>203%</u>	177,552	<u>191,355</u>	<u>108%</u>
TOTAL CURRENT SERVICES	2,588,137	2,588,137	2,685,432	104%	2,214,079	471,353	21%
OTHER REVENUE				40004			/
Use of money/property	775,550	775,550	795,867	103%	577,446	218,421	38%
Other revenues TOTAL OTHER REVENUE	24,200 <b>799,750</b>	24,200 <b>799,750</b>	72,272 868,139	<u>299%</u> <b>109%</b>	176,918 <b>754,364</b>	(104,646) 113,775	<u>-59%</u> <b>15%</b>
TRANSFERS IN							
Park Maintenance	200,000	200,000	200,000	100%	100,000	100,000	100%
Sewer Enterprise	17,500	17,500	17,500	100%	17,500	-	n/a
Water Enterprise	17,500	17,500	17,500	100%	17,500	_	n/a
Public Safety	273,000	273,000	273,000	100%	270,000	3,000	1%
Community Cultural Center	312,000	312,000	265,000	85%	520,332	(255,332)	-49%
Other Funds	3,986	3,986	4,058	<u>102%</u>	-	4,058	<u>n/a</u>
TOTAL TRANSFERS IN	823,986	823,986	777,058	94%	925,332	(148,274)	-16%



FUND REVENUE	ADOPTED	AMENDED	CURRENT YTD	%	PRIOR	INCR (DECR) FROM PRIOR	%
SOURCE	BUDGET	BUDGET	ACTUAL	OF BUDGET	YTD	YTD	CHANGE
SPECIAL REVENUE FUNDS							
202 STREET MAINTENANCE	050 400	050 400	005 540	4000/	750.040	(0.4.50.4)	440/
Gas Tax 2105 - 2107.5	653,400	653,400	665,516	102%	750,040	(84,524)	-11%
Measure A & B	-	-	-	n/a	-	-	n/a
Tea 21	-	-	-	n/a	-	(050,000)	n/a
Transfers In	700,000	725,000	725,000	100%	977,000	(252,000)	-26%
Project Reimbursement		-	697,407	n/a	110,965	586,442	528%
Interest / Other Revenue/Other Charges	14,861	14,861	38,091	<u>256%</u>	53,683	(15,592)	<u>-29%</u>
202 STREET MAINTENANCE	1,368,261	1,393,261	2,126,014	153%	1,891,688	234,326	12%
204/205 PUBLIC SAFETY TRUST							
Interest Income	9,956	9,956	14,012	141%	21,141	(7,129)	-34%
Police Grant/SLEF	100,000	100,000	95,991	96%	100,000	(4,009)	-4%
PD Block Grant	-	-	-	n/a	-	-	n/a
CA Law Enforcement Equip.Grant	-	-	-	n/a	20,765	(20,765)	-100%
Federal Police Grant (COPS)	-	-	-	n/a	17,874	(17,874)	-100%
<u>Transfers In</u>		834		<u>n/a</u>			<u>n/a</u>
204/205 PUBLIC SAFETY TRUST	109,956	110,790	110,003	99%	159,780	(49,777)	-31%
06 COMMUNITY DEVELOPMENT							
Building Fees	1,100,500	1,100,500	1,924,566	175%	1,452,407	472,159	33%
Planning Fees	616,496	616,496	447,409	73%	482,046	(34,637)	-7%
Engineering Fees	519,600	519,600	389,968	75%	607,206	(217,238)	-36%
Other Revenue/Current Charges	9,763	9,763	38,565	395%	62,526	(23,961)	-38%
<u>Transfers</u>	30,000	70,486	70,486	<u>100%</u>		70,486	<u>n/a</u>
206 COMMUNITY DEVELOPMENT	2,276,359	2,316,845	2,870,994	124%	2,604,185	266,809	10%
207 GENERAL PLAN UPDATE	76,087	76,087	104,085	137%	124,336	(20,251)	-16%
215 and 216 HCD BLOCK GRANT							
HCD allocation	152,000	152,000	24,178	16%	29,956	(5,778)	-19%
Interest Income/Other Revenue	3,900	3,900	6,832	175%	15,581	(8,749)	-56%
<u>Transfers</u>	782	782		<u>n/a</u>			n/a
15 and 216 HCD BLOCK GRANT	156,682	156,682	31,010	20%	45,537	(14,527)	-32%
10 COMMUNITY CENTER	6,198	6,198	4,465	72%	125,861	(121,396)	-96%
20 MUSEUM RENTAL	41	41	974	2376%	85	889	1046%
25 ASSET SEIZURE	583	583	839	144%	1,529	(690)	-45%
29 LIGHTING AND LANDSCAPE	127,770	127,770	134,309	105%	133,285	1,024	1%
32 ENVIRONMENTAL PROGRAMS	387,209	387,209	453,968	117%	417,555	36,413	9%
34 MOBILE HOME PARK RENT STAB.	306,298	306,298	304,527	99%	18,033	286,494	1589%
35 SENIOR HOUSING	6,897	6,897	5,545	80%	19,487	(13,942)	-72%
36 HOUSING MITIGATION	27,775	27,775	112,981	407%	35,297	77,684	220%
40 EMPLOYEE ASSISTANCE	20,162	80,162	91,907	115%	55,482	36,425	66%
247 ENVIRONMENT REMEDIATION	-,	,	570,000	n/a	-, -	570,000	n/a
TOTAL SPECIAL REVENUE FUNDS	4,870,278	4,996,598	6,921,621	139%	5,632,140	1,289,481	23%



CITY OF MORGAN HILL	100% of Year C	ompieted					
FUND			CURRENT			INCR (DECR)	
REVENUE	ADOPTED	AMENDED	YTD	%	PRIOR	FROM PRIOR	%
SOURCE	BUDGET	BUDGET	ACTUAL	OF BUDGET	YTD	YTD	CHANG
CAPITAL PROJECTS FUNDS							
301 PARK DEVELOPMENT	435,072	435,072	992,617	228%	488,417	504,200	103%
302 PARK MAINTENANCE	257,923	257,923	336,330	130%	345,303	(8,973)	-3%
303 LOCAL DRAINAGE	291,028	291,028	224,483	77%	388,873	(164,390)	-42%
304 LOCAL DRAINAGE/NON AB1600	157,378	157,378	153,722	98%	299,746	(146,024)	-49%
305 OFF-STREET PARKING	95	95	65	68%	134	(69)	-51%
306 OPEN SPACE	57,428	57,428	240,241	418%	90,157	150,084	166%
309 TRAFFIC MITIGATION	662,507	662,507	1,476,623	223%	875,474	601,149	69%
311 POLICE MITIGATION	51,569	51,569	125,271	243%	95,368	29,903	31%
313 FIRE MITIGATION	147,884	147,884	248,727	168%	240,307	8,420	4%
17 RDA CAPITAL PROJECTS						(222 222)	
Property Taxes & Supplemental Roll	14,086,573	14,086,573	13,832,762	98%	14,831,285	(998,523)	-7%
Development Agreements			-	n/a	-	(400 444)	n/a
Interest Income, Rents	0.450.000	0.454.500	267,137	n/a	375,248	(108,111)	-29%
Other Agencies/Current Charges	9,450,000	9,451,500	1,596,568	<u>17%</u>	117,750	1,478,818	1256°
317 RDA CAPITAL PROJECTS	23,536,573	23,538,073	15,696,467	67%	15,324,283	372,184	2%
327/328 RDA L/M HOUSING							
Property Taxes & Supplemental Roll	3,791,085	3,791,085	4,390,446	116%	4,236,356	154,090	4%
Interest Income, Rent	45,364	45,364	589,863	1300%	389,922	199,941	51%
<u>Other</u>	90	90	760,767	<u>845297%</u>	91,274	669,493	733%
327/328 RDA L/M HOUSING	3,836,539	3,836,539	5,741,076	150%	4,717,552	1,023,524	22%
346 PUBLIC FACILITIES NON-AB1600	9,875,877	9,875,877	2,969,322	30%	298,847	2,670,475	894%
347 PUBLIC FACILITIES	46,900	155,861	618,600	397%	94,496	524,104	555%
348 LIBRARY	30,782	30,782	76,464	248%	47,208	29,256	62%
350 UNDERGROUNDING	31,495	31,495	104,270	331%	208,862	(104,592)	-50%
340 MORGAN HILL BUS.RANCH CIP I	1,144	1,144	1,059	93%	1,611	(552)	-34%
342 MORGAN HILL BUS.RANCH CIP II	1,282	1,282	1,189	93%	1,809	(620)	-34%
360 COMMUNITY/REC IMPACT FUND			18,899	n/a	-	18,899	n/a
OTAL CAPITAL PROJECTS FUNDS	39,421,476	39,531,937	29,025,425	73%	23,518,447	5,506,978	23%
DEBT SERVICE FUNDS		,,	.,,		-,,	,,,,,,	
527 HIDDEN CREEK		_	-	n/a	_	_	n/a
533 DUNNE AVE. / CONDIT ROAD	-	-	_	n/a	_	-	n/a
36 ENCINO HILLS	1,631	1,631	1,491	91%	2,256	(765)	-34%
39 MORGAN HILL BUSINESS PARK	447	447	260	58%	381	(121)	-32%
42 SUTTER BUSINESS PARK	730	730	546	75%	831	(285)	-34%
45 COCHRANE BUSINESS PARK	119,887	119,887	196,068	164%	243,155	(47,087)	-19%
551 JOLEEN WAY	34,955	34,955	35,784	102%	33,660	2,124	6%
	·		·		·	·	
OTAL DEBT SERVICE FUNDS	157,650	157,650	234,149	149%	280,283	(46,134)	-16%



FUND REVENUE	ADOPTED	AMENDED	CURRENT YTD	%	PRIOR	INCR (DECR) FROM PRIOR	%
SOURCE	BUDGET	BUDGET	ACTUAL	OF BUDGET	YTD	YTD	CHANG
NTERPRISE FUNDS							
40 SEWER OPERATION							
Sewer Service Fees	5,321,460	5,321,460	5,255,576	99%	5,007,460	248,116	5%
Interest Income	51,960	51,960	110,469	213%	152,866	(42,397)	-28%
Other Revenue/Current Charges	113,950	113,950	177,492	<u>156%</u>	131,643	45,849	<u>35%</u>
40 SEWER OPERATION	5,487,370	5,487,370	5,543,537	101%	5,291,969	251,568	5%
41 SEWER EXPANSION	00.500	00.500	405 700	4700/	100 115	(50.057)	0.40/
Interest Income	26,580	26,580	125,788	473%	182,445	(56,657)	-31%
Connection Fees	600,000	600,000	2,192,708	365%	860,023	1,332,685	155%
Other Type Type Type Type Type Type Type Type			792	<u>n/a</u>	792		n/a
41 SEWER EXPANSION	626,580	626,580	2,319,288	370%	1,043,260	1,276,028	122%
42 SEWER RATE STABILIZATION	89,558	89,558	171,467	191%	336,933	(165,466)	-49%
43 SEWER-CAPITAL PROJECT	525,416	525,416	561,448	107%	612,846	(51,398)	-8%
OTAL SEWER FUNDS	6,728,924	6,728,924	8,595,740	128%	7,285,008	1,310,732	18%
50 WATER OPERATION							
Water Sales	5,738,350	5,738,350	6,274,591	109%	5,679,069	595,522	10%
Meter Install & Service	40,000	40,000	35,960	90%	53,116	(17,156)	-32%
Transfers-In, and Interest Income	1,045,785	1,045,785	1,115,886	107%	318,796	797,090	250%
Other Revenue/Current Charges	249,584	249,584	561,452	<u>225%</u>	336,107	225,345	<u>67%</u>
50 WATER OPERATION	7,073,719	7,073,719	7,987,889	113%	6,387,088	1,600,801	25%
51 WATER EXPANSION							
Interest Income/Other Revenue/Transfer	501,803	501,803	842,697	168%	478,529	364,168	76%
Water Connection Fees	160,000	160,000	424,684	<u>265%</u>	159,542	265,142	<u>166%</u>
51 WATER EXPANSION	661,803	661,803	1,267,381	192%	638,071	629,310	99%
52 Water Rate Stabilization	20,517	20,517	9,665	47%	28,949	(19,284)	-67%
53 Water Capital Project	402,395	402,395	797,417	198%	1,329,129	(531,712)	-40%
OTAL WATER FUNDS	8,158,434	8,158,434	10,062,352	123%	8,383,237	1,679,115	20%
OTAL ENTERPRISE FUNDS	14,887,358	14,887,358	18.658.092	125%	15,668,245	2,989,847	19%
NTERNAL SERVICE FUNDS	, ,		, ,		, ,	, ,	
20 INFORMATION CERVICES	0.45.000	0.45.000	200 704	44.40/	204 400	(400,407)	000/
30 INFORMATION SERVICES	245,262 891.042	245,262 891.042	280,781	114% 100%	381,188	(100,407) 55,353	-26% 7%
40 BUILDING MAINTENANCE SERVICES	891,042	891,042	892,494	100%	837,141	55,353 424 600	
45 CIP ADMINISTRATION	1,447,120	1,447,120	1,297,427	90% 75%	1,165,818	131,609	11%
60 UNEMPLOYMENT INSURANCE	29,452	29,452	22,088	75% 406%	970	21,118	2177%
70 WORKERS COMPENSATION	687,700	687,700	727,993	106%	452,213	275,780	61%
90 EQUIPMENT REPLACEMENT	198,367	268,313	257,009	96%	514,115	(257,106)	-50%
93 CORPORATION YARD COMMISSION	160,005	160,005	233,236	146%	1,081,570	(848,334)	-78%
95 GENERAL LIABILITY INSURANCE	389,927	389,927	394,947	101%	363,513	31,434	9%



FUND			CURRENT			INCR (DECR)	
REVENUE	ADOPTED	AMENDED	YTD	%	PRIOR	FROM PRIOR	%
SOURCE	BUDGET	BUDGET	ACTUAL	OF BUDGET	YTD	YTD	CHANGE
AGENCY FUNDS							
841 M.H. BUS.RANCH A.D. I	736,175	736,175	729,134	99%	764,693	(35,559)	-5%
842 M.H. BUS.RANCH A.D. II	37,177	37,177	66,686	179%	44,316	22,370	50%
843 M.H. BUS.RANCH 1998	883,205	883,205	676,569	77%	919,165	(242,596)	-26%
844 M.H. RANCH REFUNDING 2004A			760,818	n/a	-	760,818	n/a
845 MADRONE BP-TAX EXEMPT	807,439	807,439	795,504	99%	798,138	(2,634)	0%
846 MADRONE BP-TAXABLE	167,254	167,254	167,041	100%	209,302	(42,261)	-20%
848 TENNANT AVE.BUS.PK A.D.	39,523	39,523	69,139	175%	41,904	27,235	65%
881 POLICE DONATION TRUST FUND	245	245	464	189%	697	(233)	-33%
TOTAL AGENCY FUNDS	2,671,018	2,671,018	3,265,355	122%	2,778,215	487,140	18%
TOTAL FOR ALL FUNDS	82,130,508	82,437,235	77,849,585	94%	68,389,094	9,349,724	14%



City of Morgan Hill Year to Date Expenses - Fiscal Year 2003/04 Final For the Month of June 2004 100% of Year Completed

NO. FUND/ACTIVITY ACTUAL ADOPTED AMENDED YTD OUTSTANDING TOTAL TOTAL TO EXPENSES BUDGET BUDGET EXPENSES ENCUMBRANCE ALLOCATED BUDGET
--

010 GENERAL FUND							
I. GENERAL GOVERNMENT							
COUNCIL AND MISCELLANEOUS GOVT	ī.						
City Council	19,658	194,400	194,400	213,924	23,056	236,980	122%
Community Promotions	13,293	31,542	31,542	31,685	-	31,685	<u>100%</u>
COUNCIL AND MISCELLANEOUS GO	32,951	225,942	225,942	245,609	23,056	268,665	119%
CITY ATTORNEY	86,449	615,917	615,917	627,171	33,831	661,002	<u>107%</u>
CITY MANAGER							
City Manager	27,963	391,162	391,162	363,057		363,057	93%
Cable Television	4,384	45,236	46,986	42,641	1,750	44,391	94%
Communications & Marketing CITY MANAGER	9,186 <b>41,533</b>	106,576 <b>542,974</b>	111,834 <b>549,982</b>	100,768 <b>506,466</b>	685 <b>2,435</b>	101,453 <b>508,901</b>	91% <b>93%</b>
OTT MANAGER	41,555	342,374	343,302	300,400	2,400	300,301	33 /0
RECREATION							
Recreation	83,829	455,503	463,468	540,619	8,781	549,400	119%
Community & Cultural Center	75,364	739,223	766,023	553,494 357,381	115,373	668,867 381,480	87% 107%
Aquatics Center Building Maintenance (CCC)	255,849 48,718	273,890 416,108	354,890 427,967	507,361 507,457	24,099	507,457	107% 119%
RECREATION	463,760	1,884,724	2,012,348	1,958,951	148,253	2,107,204	105%
	,	1,000,000	_,,	1,000,000	,	_,,,,_,,	
HUMAN RESOURCES	40.070	500.007	500 00 <b>7</b>	E 40 000		F 40 000	000/
Human Resources	48,273 2,730	582,687 34,442	582,687 34,442	543,938 23,724	-	543,938 23,724	93% <u>69%</u>
Volunteer Programs HUMAN RESOURCES					<u>-</u>		
HUMAN RESOURCES	51,003	617,129	617,129	567,662		567,662	92%
CITY CLERK							
City Clerk	22,855	302,672	303,533	237,995	861	238,856	79%
Elections	3,662	70,576	70,576	63,476	<u>-</u>	63,476	<u>90%</u>
CITY CLERK	26,517	373,248	374,109	301,471	861	302,332	81%
FINANCE	84,880	889,208	891,223	906,204		906,204	102%
MEDICAL SERVICES	-	-	5,000	-	5,000	5,000	n/a
TOTAL GENERAL GOVERNMENT	787,093	5,149,142	5,291,650	5,113,534	213,436	5,326,970	101%
II. PUBLIC SAFETY							
POLICE							
PD Administration	46,320	491,711	491,711	498,399		498,399	101%
Patrol	334,718	3,207,070	3,274,188	3,102,567	16,299	3,118,866	95%
Support Services	113,437	897,092	897,092	884,628	2,732	887,360	99%
Emergency Services/Haz Mat	2,777	33,858	33,858	64,264	4,013	68,277	202%
Special Operations	98,361	1,176,399	1,179,974	1,041,830	9,409	1,051,239	89%
Animal Control	20,292	76,159	76,159	87,709	-	87,709	115%
Dispatch Services	82,865	858,218 6 748 507	859,318	817,607	650	818,257	95%
POLICE	698,770	6,740,507	6,812,300	6,497,004	33,103	6,530,107	96%
FIRE	312,081	3,745,220	3,745,220	3,744,977	-	3,744,977	100%
TOTAL PUBLIC SAFETY	1,010,851	10,485,727	10,557,520	10,241,981	33,103	10,275,084	97%
III. COMMUNITY IMPROVEMENT							
PARK MAINTENANCE	115,190	810,323	822,840	730,839	17,902	748,741	91%
TOTAL COMMUNITY IMPROVEMENT	115,190	810,323	822,840	730,839	17,902	748,741	91%



City of Morgan Hill Year to Date Expenses - Fiscal Year 2003/04 Final For the Month of June 2004 100% of Year Completed

	CITY OF MORGAN HILL		100% of Year	r Completed				
FUND NO.	FUND/ACTIVITY	THIS MONTH ACTUAL EXPENSES	ADOPTED BUDGET	AMENDED BUDGET	YTD EXPENSES	OUTSTANDING ENCUMBRANCE	TOTAL ALLOCATED	PERCENT ( TOTAL TO BUDGET
V. TRA	NSFERS							
	Public Safety	834		834	834	_	834	n/a
	Community Development	15,000		15,000	15,000			
	Info Systems Employee Assistance	35,520 60,000		35,520 60,000	35,520 60,000	-	35,520 60.000	n/a
	Employee Assistance	00,000		00,000	60,000	-	60,000	<u>n/a</u>
TO	TAL TRANSFERS	111,354	-	111,354	111,354	-	96,354	n/a
TOTAL (	GENERAL FUND	2,024,488	16,445,192	16,783,364	16,197,708	264,441	16,447,149	98%
SPECIAL	L REVENUE FUNDS							
02 STR	EET MAINTENANCE							
	Street Maintenance/Traffic	195,021	1,533,793	1,672,928	1,496,251	84,031	1,580,282	94%
	Congestion Management	3,789	78,868	78,868	65,626	-	65,626	83%
no etd	Street CIP EET MAINTENANCE	123,252	514,800	1,261,206	780,513	170,539	951,052	75%
.∪∠ 31K	LLI WAINTENANCE	322,062	2,127,461	3,013,002	2,342,390	254,570	2,596,960	86%
204/205	PUBLIC SAFETY/SUPP.LAW	22,799	273,582	273,582	273,582		273,582	100%
06 COI	MMUNITY DEVELOPMENT FUND							
	Planning	146,804	979,437	1,239,253	1,243,257	149,931	1,393,188	112%
	Building PW-Engineering	75,315 97,163	956,070 1,029,375	1,016,487 1,072,275	813,118 930,287	16,764 34,342	829,882 964,629	82% 90%
06 COI	MMUNITY DEVELOPMENT FUND	319,282	2,964,882	3,328,015	2,986,662	201,037	3,187,699	96%
07	GENERAL PLAN UPDATE	2,699	71,257	197,413	63,022	87,837	150,859	76%
10	COMMUNITY CENTER	(21,000)	312,000	312,000	265,000	-	265,000	85%
15/216	CDBG	51,612	195,769	463,742	206,744	82,005	288,749	62%
20	MUSEUM RENTAL	213	2,422	2,422	2,248	-	2,248	93%
25	ASSET SEIZURE	24.004	454755	407.004	400 407	- 0.700	470.040	n/a
29 32	LIGHTING AND LANDSCAPE ENVIRONMENT PROGRAMS	34,694 74,924	154,755 452,029	167,001 499,894	169,197 393,006	9,722 25,123	178,919 418,129	107% 84%
34	MOBILE HOME PARK	39,039	39,661	339,661	145,863	195,343	341,206	100%
35	SENIOR HOUSING TRUST FUN	•	14,300	14,300	8,600	-	8,600	60%
36	HOUSING MITIGATION FUND	1,660	1,033,497	1,033,497	15,000	-	15,000	1%
40	EMPLOYEE ASSISTANCE	7,148	20,000	20,000	24,289	-	24,289	121%
OTAL S	SPECIAL REVENUE FUNDS	857,282	7,661,615	9,664,529	6,895,603	855,637	7,751,240	80%
CAPITAL	L PROJECT FUNDS							
01	PARK DEVELOPMENT	39,157	1,570,296	2,114,454	396,162	75,389	471,551	22%
02	PARK MAINTENANCE	50,000	200,000	200,000	200,000		200,000	100%
03	LOCAL DRAINAGE	104,024	2,028,393	2,365,774	109,100		109,100	5%
04	LOCAL DRAIN. NON-AB1600	79,809	191,868	218,868	182,815	13,070	195,885	89%
05	OFF STREET PARKING	F00 000	3,986	3,986	4,085	-	4,085	102%
09 11	TRAFFIC MITIGATION	532,938 1 200 554	936,333	2,035,819	1,191,093	430,879	1,621,972 1,235,579	80% 101%
11 13	POLICE MITIGATION FIRE MITIGATION	1,200,554 129	1,206,645 401,545	1,226,645 551,545	1,225,579 520,249	10,000 9,101	1,235,579 529,350	101% 96%
13 17	RDA BUSINESS ASSISTANCE	2,298,084	27,346,151	41,163,703	30,020,660	3,631,571	33,652,231	82%
27/328	RDA HOUSING	979,528	4,592,332	9,688,767	6,294,296	21,813	6,316,109	65%
46	PUBLIC FAC.NON AB1600	990,061	9,808,000	9,846,656	3,366,616	605,058	3,971,674	40%
47	PUBLIC FACILITIES	291	831,229	958,621	969,401	9,750	979,151	102%
48	LIBRARY IMPACT	19	225	225	225	· •	225	100%
50	UNDERGROUNDING	34,600	190,437	435,592	213,343	31,897	245,240	56%
OTAL C	CAPITAL PROJECTS FUNDS	6,309,194	49,307,440	70,810,655	44,693,624	4,838,528	49,532,152	70%
JIAL (	ALTIAL I ROJECTO FUNDO	0,303,134	73,307,440	10,010,000	77,055,024	4,030,320	73,332,132	70 /6



City of Morgan Hill Year to Date Expenses - Fiscal Year 2003/04 Final For the Month of June 2004 100% of Year Completed

	CITT OF MORGAN HILL		100% of Yea	r Completed				
FUND NO.	FUND/ACTIVITY	THIS MONTH ACTUAL EXPENSES	ADOPTED BUDGET	AMENDED BUDGET	YTD EXPENSES	OUTSTANDING ENCUMBRANCE	TOTAL ALLOCATED	PERCENT C
						1		
DEBT SE	ERVICE FUNDS							
527	HIDDEN CREEK A.D.	_	_	_	_	_	_	n/a
536	ENCINO HILLS A.D.	_	_	-	_	_	_	n/a
539	MORGAN HILL BUS. PARK A.D.	_	_	_	_	_	_	n/a
542	SUTTER BUS. PARK A.D.	_		_	_		_	n/a
545	COCHRANE BUS. PARK A.D.	628	195,805	105 905	105 202	-	105 202	100%
			•	195,805	195,393	-	195,393	
551	JOLEEN WAY A.D.	628	40,540	40,540	41,140	-	41,140	101%
TOTAL [	DEBT SERVICE FUNDS	1,256	236,345	236,345	236,533		236,533	100%
ENTERP	PRISE FUNDS							
SEWER								
5EVVER 640	SEWER OPERATION	815,277	7,418,125	7,513,797	7,295,147	81,508	7,376,655	98%
641	CAPITAL EXPANSION	181,809	3,576,249	3,697,697	7,295,147	59,553	835,472	23%
541 542	SEWER RATE STABILIZATION	181,809			•	55,553	-	
			2,369	2,369	2,369	006 404	2,369	100%
643 FOTAL 6	SEWER-CAPITAL PROJECTS	122,624	437,843	1,616,022	789,503	226,401	1,015,904	63% 70%
OIALS	SEWER FUND(S)	1,119,907	11,434,586	12,829,885	8,862,938	367,462	9,230,400	72%
VATER								
	Water Operations Division	1,073,290	6,213,247	6,894,997	6,317,530	485,828	6,803,358	99%
	Meter Reading/Repair	95,345	637,156	669,538	618,663	24,095	642,758	96%
	Utility Billing	29,741	391,570	394,863	354,433	7,277	361,710	92%
	Water Conservation	3,491	8,213	8,213	4,863	5,245	10,108	<u>123%</u>
50	WATER OPERATIONS	1,201,867	7,250,186	7,967,611	7,295,489	522,445	7,817,934	98%
51	CAPITAL EXPANSION	182,690	1,546,253	2,673,518	1,252,091	92,970	1,345,061	50%
552	WATER RATE STABILIZATION	70,879	850,551	850,551	850,551	, , , , , , , , , , , , , , , , , , ,	850,551	100%
353	WATER-CAPITAL PROJECTS	276,605	2,158,239	2,951,478	1,297,608	236,822	1,534,430	52%
	WATER FUND(S)	1,732,041	11,805,229	14,443,158	10,695,739	852,237	11,547,976	80%
TOTAL E	ENTERPRISE FUNDS	2,851,948	23,239,815	27,273,043	19,558,677	1,219,699	20,778,376	76%
INTERN	AL SERVICE FUNDS							
	AL SERVICE I ONDS							
730	INFORMATION SERVICES	15,747	245,262	262,996	207,533	19,519	227,052	86%
740	BUILDING MAINTENANCE	130,571	642,029	665,031	522,036	26,504	548,540	82%
745	CIP ENGINEERING	151,205	1,447,120	1,552,806	1,335,990	75,251	1,411,241	91%
760	UNEMPLOYMENT		30,000	30,000	39,650	-	39,650	132%
770	WORKERS COMPENSATION	99,377	697,200	736,200	790,187	22,575	812,762	110%
790	<b>EQUIPMENT REPLACEMENT</b>	208,711	251,761	260,878	252,322	-	252,322	97%
793	CORP YARD COMMISSION	44,951	160,005	170,920	214,985	43,686	258,671	151%
795	GEN. LIABILITY INSURANCE	13,406	371,600	371,600	401,517	-	401,517	108%
TOTAL I	NTERNAL SERVICE FUNDS	663,968	3,844,977	4,050,431	3,764,220	187,535	3,951,755	98%
AGENCY	Y FUNDS							
341	MORGAN HILL BUS RANCH I	628	723,706	723,706	2,010,915	-	2,010,915	278%
342	MORGAN HILL BUS RANCH II	628	38,838	38,838	142,546	-	142,546	367%
343	MORGAN HILL BUS RANCH 98	628	871,086	871,086	873,884	-	873,884	100%
344	MH RANCH RSMNT 2004A	(16,064)			574,074	-	574,074	n/a
345	MADRONE BP-TAX EXEMPT	628	799,731	799,731	809,419	-	809,419	101%
346	MADRONE BP-TAXABLE	628	172,343	172,343	172,289	-	172,289	100%
348	TENNANT AVE BUS PARK AD	-	-	-	-	-	-	n/a
381	POLICE DONATION TRUST	-	-	-	-	-	-	n/a
TOTAL A	AGENCY FUNDS	(12,924)	2,605,704	2,605,704	4,583,127	-	4,583,127	176%
REPORT	T TOTAL	12,695,212	103,341,088	131,424,071	95,929,492	7,365,840	103,280,332	79%
3.11		,,=	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,, 1	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	.,,	,,	



City of Morgan Hill Enterprise Funds Report - Fiscal Year 2003/04 Final For the Month of June 2004 100% of Year Completed

# YTD INCOME STATEMENT FOR CURRENT AND PRIOR YEAR

		Sewer Oper	ations		Water Operations			
			% of	Prior			% of	Prior
	Budget	YTD	Budget	YTD	Budget	YTD	Budget	YTD
Operations								
Revenues								
Service Charges Meter Install & Service	\$ 5,321,460	\$ 5,255,576	99%	\$ 5,007,460	\$ 5,738,350 40,000	\$ 6,274,591 35,960	109% 90%	\$ 5,679,069 53,116
Other	113,950	177,492	156%	131,643	249,584	561,452	225%	372,751
Total Operating Revenues	5,435,410	5,433,068	100%	5,139,103	6,027,934	6,872,003	114%	6,104,936
Expenses								
Operations Meter Reading/Repair Utility Billing/Water Conservation	4,533,215	4,670,237	103%	3,869,566	4,750,307 637,156 399,783	4,924,346 618,663 359,296	104% 97% 90%	4,088,744 635,787 402,741
Total Operating Expenses	4,533,215	4,670,237	103%	3,869,566	5,787,246	5,902,305	102%	5,127,272
Operating Income (Loss)	902,195	762,831		1,269,537	240,688	969,698		977,664
Nonoperating revenue (expense)								
Interest Income Interest Expense/Debt Services Principal Expense/Debt Services	51,960 (856,625) (1,115,000)	110,469 (586,625) (1,115,000)	213% 68% 100%	(667,145)	, ,	70,101 (298,016) (238,314)	94% 104%	108,275 (386,328) (219,331)
Total Nonoperating revenue (expense)	(1,919,665)	(1,591,156)		(1,149,279)	(545,440)	(466,229)		(497,384)
Income before operating xfers	(1,017,470)	(828,325)		120,258	(304,752)	503,469		480,280
Operating transfers in Operating transfers (out)	(913,285)	(923,285)	101%	- - (891,377)	1,045,785 (917,500)	1,045,785 (856,854)	100% 93%	173,877 (2,077,500)
Net Income (Loss)	\$ (1,930,755)	\$ (1,751,610)		\$ (771,119)	\$ (176,467)	\$ 692,400		\$ (1,423,343)



# City of Morgan Hill Balance Sheets - Water and Sewer Funds Final June 30, 2004 100% of Year Complete

	Sewer Operations (640)	Sewer Expansion Stabilization Capital Projects (641-643)	Water Operations (650)	Water Expansion Stabilization Capital Projects (651-653)
ASSETS				
Cash and investments:				
Unrestricted	3,152,811	6,744,180	2,858,625	3,446,963
Restricted <sup>1</sup>	1,893,448	6,377,699	390,261	
Accounts Receivable		44,130		10,116
Utility Receivables	666,027		956,481	
Less Allowance for Doubtful Accounts	(2,633)		(2,751)	
Notes Receivable <sup>2</sup> Fixed Assets <sup>3</sup>	24 902 422	0.011.450	22 624 144	9 620 944
Fixeu Assets	31,802,422	9,911,459	23,624,144	8,620,811
Total Assets	37,512,075	23,077,468	27,826,760	12,077,890
LIABILITIES				
Assessed Besselle and Assessed Linkillian	500 504	202.404	500.054	470.040
Accounts Payable and Accrued Liabilities  Deposits for Water Services & Other Deposits  Deferred Revenue 4	529,524	333,161	509,251 38,042	172,840
Bonds Payable	25,390,000		5,985,863	
Discount on Bonds and Other Liabilities	(2,705,125)		(957,773)	
Accrued Vacation and Comp Time	53,326		91,553	
Total liabilities	23,267,725	333,161	5,666,936	172,840
FUND EQUITY				
Contributed Capital Retained Earnings	6,686,483		13,047,150	
Reserved for:				
Noncurrent water/sewer assets & debt	9,064,222	9,911,459	18,504,502	8,620,811
Encumbrances	81,508	285,954	522,445	329,792
Notes Receivable	4 000 440	0	000 004	
Restricted Cash	1,893,448		390,261	
Total Reserved Retained Earnings	11,039,178	10,197,413	19,417,208	8,950,603
Unreserved Retained Earnings	3,205,172	12,546,894	2,742,616	2,954,447
Total Fund Equity	14,244,350	22,744,307	22,159,824	11,905,050
Total Liabilities and Fund Equity	37,512,075	23,077,468	27,826,760	12,077,890

Restricted for Bond Reserve requirements and capital expansion.
 Includes Note for Sewer Financing Agreements.
 Includes Water and Sewer infrastructure and the City's share of the Wastewater treatment plant.

<sup>&</sup>lt;sup>4</sup> Includes the deferred payment portion of the loans noted above.



City of Morgan Hill Balance Sheets for Major Funds - Fiscal Year 2003/04 Final June 30, 2004 100% of Year Complete

L/M Housing

Sewer

Water

RDA

	(Fund 010)	(Fund 317)	(Fund 327/328)	(Fund 640)	(Fund 650)
ASSETS	(contact)	(* ************************************	(* 3333 5_33	(* 2222	(Constant)
Cash and investments:					
Unrestricted	11,251,985	5,964,260	6,247,008	3,152,811	2,858,625
Restricted <sup>1</sup>	5,400	0,001,200	0,2 17,000	1,893,448	390,261
Accounts Receivable	1,404,787	197,182	51,045	8,131	9,152
Utility Receivables (Sewer and Water)	, ,	,	,	666,027	956,481
Less Allowance for Doubtful Accounts				(2,633)	(2,751)
Loans and Notes Receivable <sup>2</sup>	440,577	3,331,218	24,165,591		
Prepaid Expense	21,252				
Fixed Assets <sup>3</sup>		71,049		31,802,422	23,624,144
Total Assets	13,124,001	9,563,709	30,463,644	37,520,206	27,835,912
LIABILITIES					
Accounts Payable and Accrued Liabilities	1,689,383	1,883,519	490,180	529,524	509,251
Deposits for Water Services & Other Deposits	34,834	1,000,010	430,100	020,024	38,042
Deferred Revenue <sup>4</sup>	822,019	1,143,834	6,286,255		, .
Bonds Payable	,	, ,		25,390,000	5,985,863
Discount on Bonds and Other Liabilities				(2,705,125)	(957,773)
Accrued Vacation and Comp Time				53,326	91,553
Total liabilities	2,546,236	3,027,353	6,776,435	23,267,725	5,666,936
FUND EQUITY					
Contributed Capital				6,686,483	13,047,150
Fund Balance / Retained Earnings					
Reserved for:					
Noncurrent water/sewer assets & debt				9,064,222	18,504,502
Encumbrances	264,441	3,631,571	21,813	81,508	522,445
Restricted Cash				1,893,448	390,261
RDA properties held for resale		71,049			
Loans and Notes Receivable		2,187,384	17,879,337		
Total Reserved Fund Equity	264,441	5,890,004	17,901,150	11,039,178	19,417,208
Designated Fund Equity <sup>5</sup>	7,300,000				
Unreserved/Undesignated Fund Equity	3,013,324	646,352	5,786,059	3,213,303	2,751,768
Total Fund Equity	10,577,765	6,536,356	23,687,209	14,252,481	22,168,976
<b>Total Liabilities and Fund Equity</b>	13,124,001	9,563,709	30,463,644	37,520,206	27,835,912

General Fund

<sup>&</sup>lt;sup>1</sup> Restricted for Petty Cash use, Bond Reserve requirements and sewer and water capital expansion.

<sup>&</sup>lt;sup>2</sup> Includes Housing Rehab loans, Financing Agreements for Public Works Fees and loans for several housing and Agency projects.

<sup>&</sup>lt;sup>3</sup> Includes Water and Sewer infrastructure, the City's share of the Wastewater treatment plant and RDA properties held for resale.

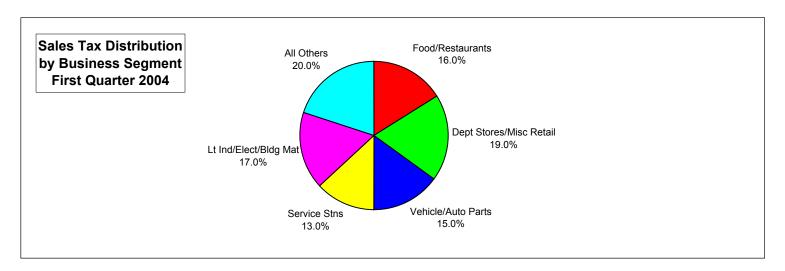
<sup>&</sup>lt;sup>4</sup> Includes the deferred payment portion of the loans noted above.

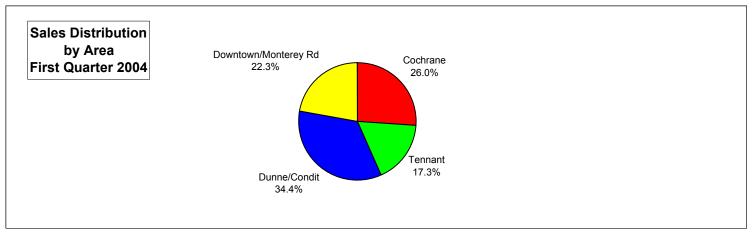
<sup>&</sup>lt;sup>5</sup> Designated for economic uncertainty, emergencies, and Fire Master Plan implementation



City of Morgan Hill Sales Tax Comparison - Fiscal Year 2003/04 Final For the Month of June 2004 100% of Year Completed

	<b>Amount Collecte</b>	d for Month fo	or Fiscal Year	Amount Colle	cted YTD for	Fiscal Year	Comparison of YT	D for fiscal years
Month	03/04	02/03	01/02	03/04	02/03	01/02	03/04 to 02/03	03/04 to 01/02
July	\$338,300	\$367,600	\$377,700	\$338,300	\$367,600	\$377,700	(29,300)	(39,400)
August	\$451,000	\$447,000	\$503,600	\$789,300	\$814,600	\$881,300	(25,300)	(92,000)
September	\$232,994	\$361,932	\$437,056	\$1,022,294	\$1,176,532	\$1,318,356	(154,238)	(296,062)
October	\$316,100	\$354,915	\$339,000	\$1,338,394	\$1,531,447	\$1,657,356	(193,053)	(318,962)
November	\$421,400	\$474,800	\$452,000	\$1,759,794	\$2,006,247	\$2,109,356	(246,453)	(349,562)
December	\$331,624	\$384,154	\$538,465	\$2,091,418	\$2,390,401	\$2,647,821	(298,983)	(556,403)
January	\$349,500	\$368,600	\$393,900	\$2,440,918	\$2,759,001	\$3,041,721	(318,083)	(600,803)
February	\$428,600	\$487,195	\$466,068	\$2,869,518	\$3,246,196	\$3,507,789	(376,678)	(638,271)
March	\$292,930	\$225,908	\$351,548	\$3,162,448	\$3,472,104	\$3,859,337	(309,656)	(696,889)
April	\$340,500	\$292,698	\$341,042	\$3,502,948	\$3,764,802	\$4,200,379	(261,854)	(697,431)
May	\$385,525	\$394,500	\$461,500	\$3,888,473	\$4,159,302	\$4,661,879	(270,829)	(773,406)
June	\$231,357	\$477,624	\$208,416	\$4,119,830	\$4,636,926	\$4,870,295	(517,096)	(750,465)
Year To Da	ite Totals			\$4,119,830	\$4,636,926	\$4,870,295	-\$517,096	-\$750,465
Sales Tax E	Budget for Year			\$4,650,000	\$5,330,000	\$5,300,000	•	,
Percent of				89%	87%	92%		
	increase(decreas	e)					-11%	-15%







# CITY COUNCIL STAFF REPORT MEETING DATE: August 25, 2004

# **JULY 2004 FINANCE & INVESTMENT REPORT**

Prepared By:	
Finance Director	
Submitted By:	
City Manager	

Agenda Item # 5

# **RECOMMENDED ACTION:**

Accept and File Report

### **EXECUTIVE SUMMARY:**

Attached is the monthly Finance and Investment Report for the period ended July 31, 2004. The report covers the first month of activity for the 2004/2005 fiscal year. A summary of the report is included on the first page for the City Council's benefit.

The monthly Finance and Investment Report is presented to the City Council and our Citizens as part of our ongoing commitment to improve and maintain public trust through communication of our finances, budget and investments. The report also serves to provide the information necessary to determine the adequacy/stability of financial projections and develop equitable resource/revenue allocation procedures.

This report covers all fiscal activity in the City, including the Redevelopment Agency. The Redevelopment Agency receives a separate report for the fiscal activity of the Agency at the meeting of the Agency. Presenting this report is consistent with the goal of *Maintaining and Enhancing the Financial Viability of the City*.

FISCAL IMPACT: as presented

# CITY OF MORGAN HILL Monthly Financial and Investment Reports

July 31, 2004 -8% Year Complete



Prepared by:

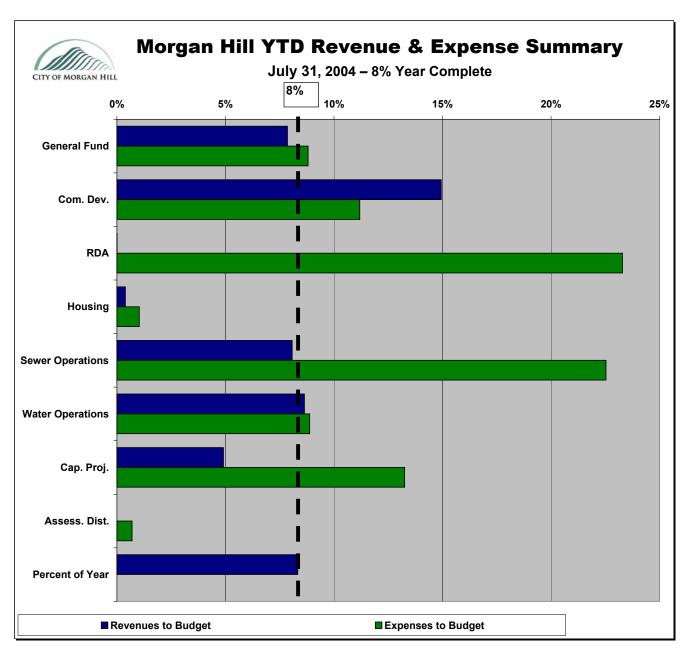
FINANCE DEPARTMENT



#### CITY OF MORGAN HILL, CALIFORNIA FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2004/05 FOR THE MONTH OF JULY 2004 - 8% OF YEAR COMPLETE

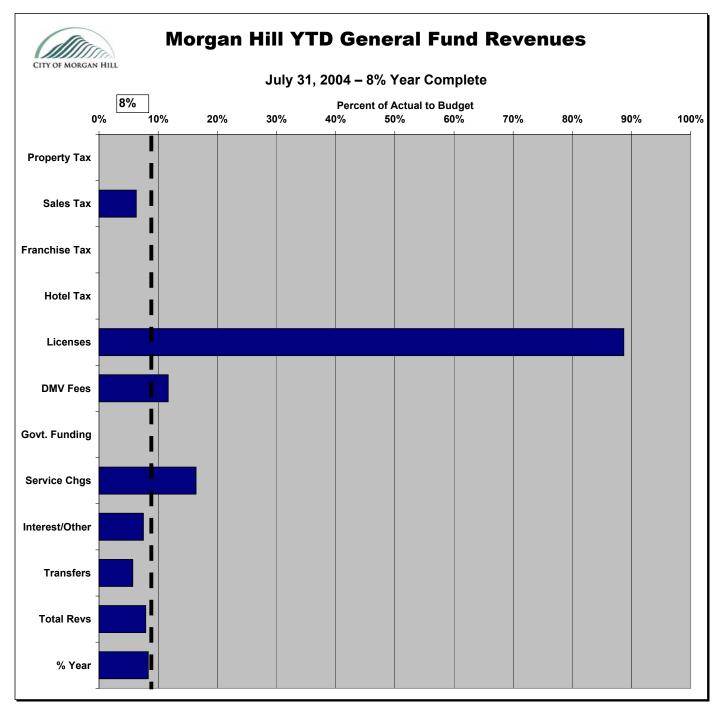
This analysis of the status of the City's financial situation reflects 8% of the year. However, this analysis is somewhat limited. Many of the City's current year revenues have not been received as of this time of the year, such as property taxes, transient occupancy taxes and franchise fees. In addition, certain audit adjustments will be made that affect both June and July revenues. The beginning of a fiscal year normally reflects a surge in purchasing. This is due to the start of projects included in the new budget and to the season to take advantage of good weather for construction projects.

- \* General Fund The revenues received in the General Fund were approximately 8% of the budgeted revenues. No property related taxes have yet been received by the City. The amount of Sales Tax collected was 6% of the sales tax revenue budget and was 9% less than the amount collected for the same period last year. Business license and other permit collections were 89% of the budgeted amount. Business license renewal fees were due in July; therefore the higher percent of budget collected early in the year is normal. Motor Vehicle-in-Lieu revenues were \$166,046, or 12% of the budgeted amount. However, the amount of Motor Vehicle-in-lieu fees will significantly drop, beginning in August, consistent with State budget revenue revisions. Interest & Other Revenue were 8% of budget and do not reflect July interest earnings that will be posted in October as part of earnings for the quarter ending September.
- \* The General Fund expenditures and encumbrances to date totaled 9% of the budgeted appropriations. The outstanding encumbrances in several activities are encumbrances for projects started but not completed in the prior year and carried forward to the current fiscal year.
- \* Transient Occupancy (Hotel) Tax The TOT rate is 10%. The City receives transient occupancy taxes on a quarterly basis. Taxes for the first quarter ending September 30 have not yet been received and will be received by the City after the end of the quarter.
- \* Community Development Revenues were 15% of budget, which was 48% more than the amount collected in the like period for the prior year. Planning expenditures plus encumbrances were 18% of budget; Building has expended or encumbered 7% of budget and Engineering 8%. Community Development has expended or encumbered a combined total of 11% of the 2004/05 budget, including \$201,037 in encumbrances. If encumbrances were excluded, Community Development would have spent only 5% of the combined budget.
- \* RDA and Housing No Property tax increment revenues have been received as of July 31, 2004. Expenditures plus encumbrances totaled 21% of budget. If encumbrances totaling \$3,653,384 were excluded, the RDA would have spent only 2% of the combined budget.
- \* Water and Sewer Operations- Water Operations revenues, including service fees, were 9% of budget. Expenditures totaled 9% of appropriations. Sewer Operations revenues, including service fees, were 8% of budget. Expenditures for sewer operations were 23% of budget. This higher percentage results from a principal and interest payment on debt service paid in July.
- \* Investments maturing/called/sold during this period. There were no investment transactions during the month of July, 2004. Further details of all City investments are contained on pages 6-8 of this report.



					7/31/2004
		% OF	ACTUAL plus	% OF	UNRESTRICTED
FUND NAME	ACTUAL	BUDGET	ENCUMBRANCES	BUDGET	FUND BALANCE
General Fund	\$1,322,795	8%	\$1,675,831	9%	\$10,220,562
Community Development	408,910	15%	382,931	11%	1,462,041
RDA	1,093	0%	3,979,130	23%	303,275
Housing/CDBG	19,549	0%	166,848	1%	5,753,659
Sewer Operations	454,573	8%	1,471,783	23%	2,321,648
Sewer Other	59,067	4%	422,312	10%	12,469,602
Water Operations	747,894	9%	729,144	9%	3,211,187
Water Other	16,449	0%	352,344	4%	2,948,344
Other Special Revenues 1	33,692	4%	349,570	17%	3,258,748
Capital Projects & Streets Funds	252,390	5%	1,515,772	13%	22,538,397
Debt Service Funds		n/a	1,639	1%	504,356
Internal Service	365,863	7%	604,904	12%	4,701,418
Agency	299,862	12%	304,125	12%	3,878,682
TOTAL FOR ALL FUNDS	\$3,982,137	5%	\$11,956,333	13%	\$73,571,919

<sup>&</sup>lt;sup>1</sup> Includes all Special Revenue Funds except Community Development, CDBG, and Street Funds



			% OF	PRIOR YEAR	% CHANGE FROM
REVENUE CATEGORY	BUDGET	ACTUAL	BUDGET	TO DATE	PRIOR YEAR
PROPERTY RELATED TAXES	\$3,328,396				
SALES TAXES	\$4,852,000	\$307,500	6%	\$338,300	-9%
FRANCHISE FEE	\$965,000				
HOTEL TAX	\$945,000				
LICENSES/PERMITS	\$201,720	\$178,900	89%	\$117,371	52%
MOTOR VEHICLE IN LIEU	\$1,423,800	\$166,046	12%	\$124,124	34%
<b>FUNDING - OTHER GOVERNMENTS</b>	\$304,400			\$334	-100%
CHARGES CURRENT SERVICES	\$3,535,076	\$581,221	16%	\$192,491	202%
INTEREST & OTHER REVENUE	\$881,461	\$65,953	8%	\$77,184	-15%
TRANSFERS IN	\$403,100	\$23,175	6%	\$51,666	-55%
TOTALS	\$16,839,953	\$1,322,795	8%	\$901,470	47%

# **Morgan Hill YTD General Fund Expenditures** July 31, 2004 - 8% Year Complete CITY OF MORGAN HILL Percent of Actual to Budget 8% 0% 2% 4% 10% 6% Admin Rec **Police** Fire

**Public Wrks** 

**Totals** 

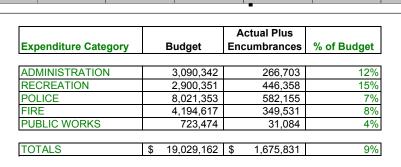
% Year

12%

14%

16%

18%





City of Morgan Hill Fund Activity Summary - Fiscal Year 2004/05 For the Month of July 2004 8% of Year Completed

		Unaudited	Revenues		Expenses		Year to-Date	Ending Fun	d Balance	Cash and In	vestments
Fund		Fund Balance	YTD	% of	YTD	% of	Deficit or				
No.	Fund	06-30-04	Actual	Budget	Actual	Budget	Carryover	Reserved <sup>1</sup>	Unreserved	Unrestricted	Restricted <sup>2</sup>
010	GENERAL FUND	\$10,577,765	\$1,322,795	8%	\$1,416,144	7%	(\$93,349)	\$263,854	\$10,220,562	\$10,384,154	\$6,150
TOTAL G	ENERAL FUND	<u>\$10,577,765</u>	<u>\$1,322,795</u>	<u>8%</u>	<u>\$1,416,144</u>	<u>7%</u>	(\$93,349)	<u>\$263,854</u>	<u>\$10,220,562</u>	<u>\$10,384,154</u>	<u>\$6,150</u>
202	STREET MAINTENANCE	\$1,466,755	\$50,778	4%	\$67,952	3%	(\$17,174)	\$254,571	\$1,195,010	\$1,305,783	
204/205	PUBLIC SAFETY/SUPPL. LAW	\$321,771	. ,	n/a	\$14,627	8%	(\$14,627)	, ,	\$307,144	\$307,144	
206	COMMUNITY DEVELOPMENT	\$1,436,062	\$408,910	15%	\$181,894	5%	\$227,016	\$201,037	\$1,462,041	\$1,713,614	
207	GENERAL PLAN UPDATE	\$231,908	\$11,632	15%	\$1,011	1%	\$10,621	\$87,837	\$154,692	\$242,732	
210	COMMUNITY CENTER	\$99,622	\$4,167	8%		n/a	\$4,167		\$103,789	\$103,789	
215 / 216	CDBG	\$460,402		n/a	\$2,174	1%	(\$2,174)	482,643	(\$24,415)	\$60,928	
220	MUSEUM RENTAL			n/a		n/a					
225	ASSET SEIZURE	\$38,935		n/a		n/a			\$38,935	\$38,935	
229	LIGHTING AND LANDSCAPE	(\$1,122)		n/a	\$2,491	12%	(\$2,491)	\$7,616	(\$11,229)	(\$2,980)	
232	ENVIRONMENTAL PROGRAMS	\$674,659	\$14,447	4%	\$14,177	3%	\$270	\$25,123	\$649,806	\$678,378	
234	MOBILE HOME PK RENT STAB.	\$168,472		n/a	\$124	0%	(\$124)	\$195,343	(\$26,995)	\$168,348	
235	SENIOR HOUSING	\$252,555		n/a					\$252,555	\$252,555	
236	HOUSING MITIGATION	\$1,141,287		n/a	-			-	\$1,141,287	\$1,141,288	
240	EMPLOYEE ASSISTANCE	\$76,539	\$3,446	12%	1,221	5%	\$2,225		\$78,764	\$75,794	
247	ENVIRONMENT REMEDIATION	\$570,000	-	n/a					\$570,000	\$570,000	
TOTAL S	PECIAL REVENUE FUNDS	<u>\$6,937,845</u>	<u>\$493,380</u>	<u>10%</u>	<u>\$285,671</u>	<u>4%</u>	<u>\$207,709</u>	<u>\$1,254,170</u>	\$5,891,384	<u>\$6,656,308</u>	
301	PARK DEV. IMPACT FUND	\$3,788,085	\$21,748	4%	\$377	0%	\$21,371	\$75,389	\$3,734,067		\$3,809,456
302	PARK MAINTENANCE	\$3,045,573	\$1,247	0%			\$1,247		\$3,046,820	\$3,046,819	
303	LOCAL DRAINAGE	\$3,026,337	\$106,076	44%	\$128	0%	\$105,948		\$3,132,285		\$3,132,285
304	LOCAL DRAINAGE/NON-AB1600	\$3,247,421		n/a	\$139	0%	(\$139)	\$13,070	\$3,234,212	\$3,127,282	
305	OFF-STREET PARKING			n/a	-	n/a				\$27	
306	OPEN SPACE	\$698,729	\$22,600	14%			\$22,600	\$10,000	\$711,329	\$721,327	
309	TRAFFIC IMPACT FUND	\$3,111,645	\$39,557	6%	\$6,999	0%	\$32,558	\$430,879	\$2,713,324		\$3,129,138
311	POLICE IMPACT FUND	\$82,737	\$1,326	3%	\$495	1%	\$831	\$10,000	\$73,568		\$83,569
313	FIRE IMPACT FUND	\$2,332,337	\$3,122	2%	\$115	0%	\$3,007	\$9,101	\$2,326,243		\$2,335,344
317	REDEVELOPMENT AGENCY	\$6,536,355	\$1,093	0%	\$347,559	2%	(\$346,466)	5,886,614	\$303,275	\$3,951,518	
	HOUSING	\$23,687,208	\$19,549	0%	\$60,856	1%	(\$41,307)	17,867,827	\$5,778,074	\$5,812,033	
340	MORGAN HILL BUS.RANCH I	\$49,349		n/a					\$49,349	\$49,349	
342	MORGAN HILL BUS.RANCH II	\$55,422	-	5%	(0.10)		2010	****	\$55,422	\$55,422	
346	PUBLIC FACILITIES NON-AB1600	\$935,420	00.000	n/a	(312)	40/	\$312	\$605,058	\$330,674	\$935,733	0070.070
347	PUBLIC FACILITIES IMPACT FUND	\$314,231	\$2,222	3%	\$114	1%	\$2,108	9,750	\$306,589		\$279,670
348	LIBRARY IMPACT FUND	\$490,695 \$1,148,144	\$1,410	0% 0%	\$17 \$33	0%	\$1,393	24.007	\$492,088	C4 440 200	\$492,088
350 360	UNDERGROUNDING	. , ,	48 2,256	0%	\$33	0% 0%	\$15 \$2.256	31,897	\$1,116,262	\$1,148,328	
	COMM/REC CTR IMPACT FUND	\$18,899					\$2,256		\$21,155	\$21,155	
TOTAL C	APITAL PROJECT FUNDS	<u>\$52,568,587</u>	<u>\$222,254</u>	<u>1%</u>	<u>\$416,520</u>	<u>1%</u>	<u>(\$194,266)</u>	<u>\$24,949,585</u>	<u>\$27,424,736</u>	<u>\$18,868,993</u>	<u>\$13,261,550</u>
527	HIDDEN CREEK			n/a							
533	DUNNE/CONDIT			n/a							
536	ENCINO HILLS	\$69,518		n/a					\$69,518	\$69,517	
539	MORGAN HILL BUS. PARK	\$12,127		n/a					\$12,127	\$12,126	
542	SUTTER BUSINESS PARK	\$25,456	ĺ	n/a					\$25,456	\$25,456	
545	COCHRANE BUSINESS PARK	\$375,093		n/a	\$834	0%	(\$834)		\$374,259	\$193,311	\$180,950
551	JOLEEN WAY	\$23,801		n/a	\$805	2%	(\$805)		\$22,996	\$5,747	\$17,250
TOTAL D	EBT SERVICE FUNDS	\$505,995		<u>n/a</u>	\$1,639	<u>1%</u>	(\$1,639)		\$504,356	\$306,157	\$198,200

Page 4



City of Morgan Hill Fund Activity Summary - Fiscal Year 2004/05 For the Month of July 2004 8% of Year Completed

	1	CITTOF MOI		0 % Of Tea	r Completed						
		Unaudited	Revenues		Expenses		Year to-Date	Ending Fun	d Balance	Cash and In	vestments
Fund		Fund Balance	YTD	% of	YTD	% of	Deficit or				
No.	Fund	06-30-04	Actual	Budget	Actual	Budget	Carryover	Reserved <sup>1</sup>	Unreserved	Unrestricted	Restricted <sup>2</sup>
640	SEWER OPERATIONS	\$14,252,481	\$454,573	8%	\$1,390,275	21%	(\$935,702)	\$10,995,131	\$2,321,648	\$2,035,940	\$1,849,400
641	SEWER IMPACT FUND	\$9,315,479	\$59,067	5%	\$133,594	4%	(\$74.527)	3,266,076	\$5,974,876	\$2,033,940	\$6.155.002
642	SEWER RATE STABILIZATION	\$3,973,326	φ39,007	n/a	\$176	8%	(\$176)	3,200,070	\$3,973,150	\$3,973,149	φ0,133,002
643	SEWER-CAPITAL PROJECTS	\$9,455,501		n/a	\$2,588	0%	(\$2,588)	6,931,337	\$2,521,576	\$2,747,977	
650	WATER OPERATIONS	\$22,168,976	\$747,894	9%	\$230,192	5%	\$517,702	\$19,475,491	\$3,211,187	\$2,987,095	\$390,261
651	WATER IMPACT FUND	\$3,286,569	\$16,449	0%	\$14,043	0%	\$2,406	3,479,132	(\$190,158)	φ2,907,093	(\$97,186)
652	WATER MIFACT FORD WATER RATE STABILIZATION	\$26,542	φ10, <del>44</del> 9	n/a	\$14,043	8%	(\$41)	3,479,132	\$26,501	\$26,501	(ψ91,100)
653	WATER CAPITAL PROJECT	\$8,591,939		n/a	\$8,468	0%	(\$8,468)	5,471,472	\$3,112,001	\$3,348,821	
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TOTAL E	NTERPRISE FUNDS	<u>\$71,070,813</u>	<u>\$1,277,983</u>	<u>6%</u>	<u>\$1,779,377</u>	<u>8%</u>	<u>(\$501,394)</u>	<u>\$49,618,639</u>	<u>\$20,950,781</u>	<u>\$15,119,483</u>	<u>\$8,297,477</u>
730	DATA PROCESSING	\$509,274	\$19,246	7%	\$15,112	3%	\$4,134	58,971	\$454,437	\$462,352	
740	BUILDING MAINTENANCE	\$770,609	\$137,717	8%	\$33,344	2%	\$104,373	29,197	\$845,785	\$903,150	
745	CIP ADMINISTRATION	\$20,874	\$67,807	5%	\$67,807	5%		93,528	(\$72,654)	\$72,875	
760	UNEMPLOYMENT INS.	\$29,716		n/a					\$29,716	\$29,716	
770	WORKER'S COMP.	(\$56,047)	\$80,030	9%	\$8,126	1%	\$71,904	22,575	(\$6,718)	\$547,238	\$40,000
790	EQUIPMENT REPLACEMENT	\$3,384,658	\$25,421	7%	\$131	0%	\$25,290	554,033	\$2,855,915	\$2,855,915	
793	CORPORATION YARD	\$283,102		n/a				268,446	\$14,656	\$2,547	
795	GEN'L LIABILITY INS.	\$850,098	\$35,642	8%	\$305,459	71%	(\$269,817)		\$580,281	\$906,094	
TOTAL II	NTERNAL SERVICE FUNDS	\$5,792,284	\$365,863	7%	\$429,979	9%	(\$64,116)		\$4,701,418	\$5,779,887	\$40,000
IOIALII	TERMAL SERVICE I SINDS	<u>\$3,732,204</u>	ψ505,005	1 70	<u>Ψ-25,515</u>	<u>370</u>	(404,110)		<del>ψ=,701,=10</del>	<u>\$3,113,001</u>	<u>\$70,000</u>
820	SPECIAL DEPOSITS					1				\$826,758	
841	M.H. BUS.RANCH A.D.	\$368,075		n/a	\$299,862		(\$299,862)		\$68,213	\$68,212	
842	M.H. BUS. RANCH II A.D.	\$31,380	_	n/a	Ψ299,002	n/a	(Ψ233,002)		\$31,380	\$31,381	
843	M.H. BUS. RANCH 1998	\$1,295,254	_	n/a	\$1,019	0%	(\$1.019)		\$1,294,235	\$408,357	\$885,879
844	MH RANCH RSMNT 2004A	\$186,744	\$299,862	11/4	\$1,270	0%	\$298,592		\$485,336	(\$865)	\$486,187
845	MADRONE BP-TAX EXEMPT	\$1,298,338	Ψ299,002		\$1,226	0%	(\$1,226)		\$1,297,112	\$497,964	\$799,148
846	MADRONE BP-TAX EXEMPT	\$251,695		12%	\$748	0%	(\$748)		\$250,946	\$96,655	\$154,294
848	TENNANT AVE.BUS.PK A.D.	\$430,058		n/a	Ψ1+0	na	(ψ1 +0)		\$430,058	\$430,057	Ψ104,234
881	POLICE DONATION TRUST FUND	\$21,402		n/a		i i a			\$21,402	Ψ-30,037	\$21,402
		· / /				<u> </u>			· ,		
TOTAL A	GENCY FUNDS	<u>\$3,882,946</u>	<u>\$299,862</u>	<u>12%</u>	<u>\$304,125</u>	<u>12%</u>	<u>(\$4,263)</u>		<u>\$3,878,682</u>	<u>\$2,358,519</u>	<u>\$2,346,910</u>
SUMMAR	RY BY FUND TYPE										
	GENERAL FUND GROUP	\$10,577,765	\$1,322,795	8%	\$1,416,144	7%	(\$93,349)	\$263,854	\$10,220,562	\$10,384,154	\$6,150
	SPECIAL REVENUE GROUP	\$6,937,845	\$493,380	10%	\$285,671	4%	\$207.709	\$1,254,170	\$5,891,384	\$6,656,308	ψο,
	DEBT SERVICE GROUP	\$505.995	<b>\$</b> 100,000	n/a	\$1.639	1%	(\$1,639)	ψ.,2σ.,σ	\$504,356	\$306.157	\$198,200
	CAPITAL PROJECTS GROUP	\$52,568,587	\$222,254	1%	\$416,520	1%	(\$194,266)	\$24,949,585	\$27,424,736	\$18,868,993	\$13,261,550
	ENTERPRISE GROUP	\$71,070,813	\$1,277,983	6%	\$1,779,377	8%	(\$501,394)	\$49,618,639	\$20,950,781	\$15,119,483	\$8,297,477
	INTERNAL SERVICE GROUP	\$5,792,284	\$365,863	7%	\$429,979	9%	(\$64,116)	Ţ.0,0.0,000	\$4,701,418	\$5,779,887	\$40,000
	AGENCY GROUP	\$3,882,946	\$299,862	12%	\$304,125	12%	(\$4,263)		\$3,878,682	\$2,358,519	\$2,346,910
							\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	A=0 000 000			
	TOTAL ALL GROUPS	<u>\$151,336,235</u>	<u>\$3,982,137</u>	<u>5%</u>	<u>\$4,633,455</u>	<u>5%</u>	<u>(\$651,318)</u>	<u>\$76,086,248</u>	<u>\$73,571,919</u>	<u>\$59,473,501</u>	<u>\$24,150,287</u>
	TOTAL CASH AND INVESTMENTS									\$83,623,788	
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For Enterprise Funds - Unrestricted fund balance = Fund balance net of fixed assets and long-term liabilities.

<sup>&</sup>lt;sup>1</sup> Amount restricted for encumbrances, fixed asset replacement, long-term receivables, and bond reserves.

<sup>&</sup>lt;sup>2</sup> Amount restricted for debt service payments and AB1600 capital expansion projects as detailed in the City's five year CIP Plan and bond agreements.



FUND REVENUE	ADOPTED	AMENDED	CURRENT	%	PRIOR	INCR (DECR) FROM PRIOR	%
SOURCE	BUDGET	BUDGET	ACTUAL	OF BUDGET	YTD	YTD	CHANGE
010 GENERAL FUND							
<u>TAXES</u>	0.000.000	0.000.000		,			,
Property Taxes - Secured/Unsecured/Prio	2,803,396	2,803,396	-	n/a	-	-	n/a
Supplemental Roll	157,500	157,500		n/a	-	-	n/a
Sales Tax	4,600,000	4,600,000	307,500	7%	338,300	(30,800)	-9%
Public Safety Sales Tax	252,000	252,000	-	n/a	-	-	n/a
Transient Occupancy Taxes	945,000	945,000	-	n/a	-	-	n/a
Franchise (Refuse ,Cable ,PG&E)	965,000	965,000	-	n/a	-	-	n/a
Property Transfer Tax	367,500	367,500		<u>n/a</u>			<u>n/a</u>
TOTAL TAXES	10,090,396	10,090,396	307,500	3%	338,300	(30,800)	-9%
ICENSES/PERMITS							/
Business License	155,000	155,000	178,846	115%	117,219	61,627	53%
Other Permits	46,720	46,720	54	<u>0%</u>	152	(98)	<u>-64%</u>
FOTAL LICENSES/PERMITS	201,720	201,720	178,900	89%	117,371	61,529	52%
FINES AND PENALTIES							
Parking Enforcement	12,000	12,000	-	n/a	1,742	(1,742)	-100%
City Code Enforcement	35,000	35,000	_	n/a	6,798	(6,798)	-100%
Business tax late fee/other fines	1,200	1,200	5	<u>0%</u>	65	(60)	<u>-92%</u>
TOTAL FINES AND PENALTIES	48,200	48,200	5	0%	8,605	(8,600)	-100%
OTHER AGENCIES							
Motor Vehicle in-Lieu	1,423,800	1,423,800	166,046	12%	124,124	41,922	34%
Other Revenue - Other Agencies	304,400	304,400		<u>n/a</u>	334	(334)	<u>-100%</u>
TOTAL OTHER AGENCIES	1,728,200	1,728,200	166,046	10%	124,458	41,588	33%
CHARGES CURRENT SERVICES							
False Alarm Charge	20,000	20,000	-	n/a	-	-	n/a
Business License Application Review	22,000	22,000	1,880	9%	3,017	(1,137)	-38%
Recreation Classes	326,750	326,750	38,675	12%	13,170	25,505	194%
Aquatics Revenue	1,181,625	1,181,625	384,318		-		
General Administration Overhead	1,793,851	1,793,851	149,488	8%	167,332	(17,844)	-11%
Other Charges Current Services	190,850	190,850	6,860	<u>4%</u>	8,972	(2,112)	<u>-24%</u>
TOTAL CURRENT SERVICES	3,535,076	3,535,076	581,221	16%	192,491	4,412	2%
OTHER REVENUE				95.			
Use of money/property	819,261	819,261	61,480	8%	62,815	(1,335)	-2%
Other revenues	14,000	14,000	4,468	<u>32%</u>	5,764	(1,296)	<u>-22%</u>
TOTAL OTHER REVENUE	833,261	833,261	65,948	8%	68,579	(2,631)	-4%
FRANSFERS IN	46= 555	40-00-		,			
Park Maintenance	125,000	125,000		n/a		-	n/a
Sewer Enterprise	20,000	20,000	1,667	8%	1,458	209	14%
Water Enterprise	20,000	20,000	1,667	8%	1,458	209	14%
Public Safety	175,000	175,000	14,583	8%	22,750	(8,167)	-36%
Environmental Programs	48,100	48,100	4,008	8%	-	4,008	n/a
HCD Block Grant	15 000	15 000	4 050	00/	26.000	(24,750)	0.50/
Other Funds  FOTAL TRANSFERS IN	15,000 <b>403,100</b>	15,000 <b>403,100</b>	1,250 <b>23,175</b>	<u>8%</u> <b>6%</b>	26,000 <b>51,666</b>	(24,750)	<u>-95%</u> <b>-55%</b>
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FUND			CURRENT			INCR (DECR)	
REVENUE	ADOPTED	AMENDED	YTD	%	PRIOR	FROM PRIOR	%
SOURCE	BUDGET	BUDGET	ACTUAL	OF BUDGET	YTD	YTD	CHANG
SPECIAL REVENUE FUNDS							
202 STREET MAINTENANCE	674.000	674.000		-1-			-/-
Gas Tax 2105 - 2107.5	674,000	674,000	-	n/a	-	-	n/a
Measure A & B	-	-	-	n/a	-	-	n/a
Tea 21	700.000	-	-	n/a	-	-	n/a
Transfers In	700,000	700,000	50,000	7%	50,000	-	n/a
Project Reimbursement		-		n/a	-	-	n/a
Interest / Other Revenue/Other Charges	29,635	29,635	<u>778</u>	<u>3%</u>	390	388	<u>99%</u>
202 STREET MAINTENANCE	1,403,635	1,403,635	50,778	4%	50,390	388	1%
204/205 PUBLIC SAFETY TRUST							
Interest Income	6,103	6,103	-	n/a	-	-	n/a
Police Grant/SLEF	100,000	100,000	-	n/a	-	-	n/a
PD Block Grant	-	-	-	n/a	-	-	n/a
CA Law Enforcement Equip.Grant	-	-	-	n/a	-	-	n/a
Federal Police Grant (COPS)	-	-	-	n/a	-	-	n/a
Transfers In				<u>n/a</u>			<u>n/a</u>
204/205 PUBLIC SAFETY TRUST	106,103	106,103	-	n/a	-	-	n/a
06 COMMUNITY DEVELOPMENT							
Building Fees	1,403,000	1,403,000	201,446	14%	212,090	(10,644)	-5%
Planning Fees	791,621	791,621	40,352	5%	20,740	19,612	95%
Engineering Fees	516,500	516,500	167,056	32%	40,607	126,449	311%
Other Revenue/Current Charges	26,188	26,188	56	0%	144	(88)	-61%
<u>Transfers</u>		-		<u>n/a</u>	2,500	(2,500)	-100%
206 COMMUNITY DEVELOPMENT	2,737,309	2,737,309	408,910	15%	276,081	132,829	48%
207 GENERAL PLAN UPDATE	80,154	80,154	11,632	15%	6,758	4,874	72%
215 and 216 HCD BLOCK GRANT							
HCD allocation	166,440	166,440	-	n/a	-	-	n/a
Interest Income/Other Revenue	9,648	9,648	-	n/a	139	(139)	-100%
<u>Transfers</u>		-		<u>n/a</u>			n/a
215 and 216 HCD BLOCK GRANT	176,088	176,088	-	n/a	139	(139)	-100%
10 COMMUNITY CENTER	52,119	52,119	4,167	8%	-	4,167	n/a
220 MUSEUM RENTAL	-	-	-	n/a	-	-	n/a
25 ASSET SEIZURE	1,020	1,020	-	n/a	-	-	n/a
29 LIGHTING AND LANDSCAPE	130,766	130,766	-	n/a	-	-	n/a
32 ENVIRONMENTAL PROGRAMS	399,491	399,491	14,447	4%	81,753	(67,306)	-82%
34 MOBILE HOME PARK RENT STAB.	5,148	5,148	-	n/a	-	-	n/a
35 SENIOR HOUSING	5,501	5,501	-	n/a	_	-	n/a
36 HOUSING MITIGATION	12,031	12,031	-	n/a	_	-	n/a
40 EMPLOYEE ASSISTANCE	29,059	29,059	3,446	12%	2,031	1,415	70%
247 ENVIRONMENT REMEDIATION	,	,	-	n/a	-	-	n/a
TOTAL SPECIAL REVENUE FUNDS	5,138,424	5,138,424	493,380	10%	417,152	76,228	18%



CITY OF MORGAN HILL	8% of Year Con	npleted					
FUND			CURRENT			INCR (DECR)	
REVENUE	ADOPTED	AMENDED	YTD	%	PRIOR	FROM PRIOR	%
SOURCE	BUDGET	BUDGET	ACTUAL	OF BUDGET	YTD	YTD	CHANG
CAPITAL PROJECTS FUNDS	1						
301 PARK DEVELOPMENT	578,596	578,596	21,748	4%	64,108	(42,360)	-66%
302 PARK MAINTENANCE	254,863	254,863	1,247	0%	38,510	(37,263)	-97%
303 LOCAL DRAINAGE	243,292	243,292	106,076	44%	22,539	83,537	371%
304 LOCAL DRAINAGE/NON AB1600	146,377	146,377	-	n/a	29,000	(29,000)	-100%
305 OFF-STREET PARKING	-	-	-	n/a	-	-	n/a
306 OPEN SPACE	165,125	165,125	22,600	14%	-	22,600	n/a
309 TRAFFIC MITIGATION	651,916	651,916	39,557	6%	78,831	(39,274)	-50%
311 POLICE MITIGATION	39,568	39,568	1,326	3%	3,471	(2,145)	-62%
313 FIRE MITIGATION	138,417	138,417	3,122	2%	18,829	(15,707)	-83%
317 RDA CAPITAL PROJECTS							
Property Taxes & Supplemental Roll	17,280,277	17,280,277	-	n/a	-	-	n/a
Development Agreements			-	n/a	-	-	n/a
Interest Income, Rents	17,031	17,031	969	6%	-	969	n/a
Other Agencies/Current Charges	47.007.000	- 47.007.000	124	<u>n/a</u>	27,380	(27,256)	<u>-100%</u>
317 RDA CAPITAL PROJECTS	17,297,308	17,297,308	1,093	0%	27,380	(26,287)	-96%
327/328 RDA L/M HOUSING				201			
Property Taxes & Supplemental Roll	4,737,350	4,737,350	19,455	0%	-	19,455	n/a
Interest Income, Rent	112,277	112,277	84	0%	-	84	n/a
Other	100	100	10	<u>10%</u>	246	(236)	<u>-96%</u>
327/328 RDA L/M HOUSING	4,849,727	4,849,727	19,549	0%	246	19,303	7847%
346 PUBLIC FACILITIES NON-AB1600	629,137	629,137	-	n/a	24,000	(24,000)	-100%
347 PUBLIC FACILITIES	74,737	74,737	2,222	3%	7,504	(5,282)	-70%
348 LIBRARY	526,000	526,000	1,410	0%	5,718	(4,308)	-75%
350 UNDERGROUNDING	242,742	242,742	48	0%	-	48	n/a
340 MORGAN HILL BUS.RANCH CIP I	1,069	1,069	-	n/a	-	-	n/a
342 MORGAN HILL BUS.RANCH CIP II	1,201	1,201	-	n/a	-	-	n/a
360 COMMUNITY/REC IMPACT FUND	44,399	44,399	2,256	5%	-	2,256	n/a
TOTAL CAPITAL PROJECTS FUNDS	25,884,474	25,884,474	222,254	1%	320,136	(97,882)	-31%
DEBT SERVICE FUNDS	1						
527 HIDDEN CREEK	-	-	-	n/a	-	-	n/a
533 DUNNE AVE. / CONDIT ROAD	-	-	-	n/a	-	-	n/a
536 ENCINO HILLS	1,495	1,495	-	n/a	-	-	n/a
539 MORGAN HILL BUSINESS PARK	250	250	-	n/a	-	-	n/a
542 SUTTER BUSINESS PARK	552	552	-	n/a	-	-	n/a
545 COCHRANE BUSINESS PARK	279,134	279,134	-	n/a	-	-	n/a
551 JOLEEN WAY	41,235	41,235	-	n/a	-	-	n/a
TOTAL DEBT SERVICE FUNDS	322,666	322,666		n/a	-	-	n/a



FUND REVENUE	ADOPTED	AMENDED	CURRENT YTD	%	PRIOR	INCR (DECR) FROM PRIOR	%
SOURCE	BUDGET	BUDGET	ACTUAL	OF BUDGET	YTD	YTD	CHANGE
ENTERPRISE FUNDS							
40 SEWER OPERATION							
Sewer Service Fees	5,459,000	5,459,000	446,968	8%	423,863	23,105	5%
Interest Income	59,437	59,437	-	n/a	-	-	n/a
Other Revenue/Current Charges	110,500	110,500	7,605	<u>7%</u>	19,674	(12,069)	<u>-61%</u>
40 SEWER OPERATION	5,628,937	5,628,937	454,573	8%	443,537	11,036	2%
41 SEWER EXPANSION							
Interest Income	94,826	94,826	-	n/a	-	-	n/a
Connection Fees	1,100,000	1,100,000	59,001	5%	232,568	(173,567)	-75%
<u>Other</u>	<del></del>	<del></del>	66	<u>n/a</u>	<del></del>	66	n/a
41 SEWER EXPANSION	1,194,826	1,194,826	59,067	5%	232,568	(173,501)	-75%
42 SEWER RATE STABILIZATION	84,161	84,161	-	n/a	-	-	n/a
43 SEWER-CAPITAL PROJECT	36,527	36,527	-	n/a	-	-	n/a
TOTAL SEWER FUNDS	6,944,451	6,944,451	513,640	7%	676,105	(162,465)	-24%
550 WATER OPERATION							
Water Sales	5,821,375	5,821,375	672,220	12%	706,857	(34,637)	-5%
Meter Install & Service	40,000	40,000	19,722	49%	10,738	8,984	84%
Transfers-In, and Interest Income	2,516,848	2,516,848	1,272	0%	87,149	(85,877)	-99%
Other Revenue/Current Charges	279,688	279,688	54,680	<u>20%</u>	38,168	16,512	<u>43%</u>
50 WATER OPERATION	8,657,911	8,657,911	747,894	9%	842,912	(95,018)	-11%
551 WATER EXPANSION							
Interest Income/Other Revenue/Transfer	5,000,000	5,000,000	-	n/a	-	-	n/a
Water Connection Fees	200,000	200,000	16,449	<u>8%</u>	30,773	(14,324)	<u>-47%</u>
51 WATER EXPANSION	5,200,000	5,200,000	16,449	0%	30,773	(14,324)	-47%
52 Water Rate Stabilization	445	445	_	n/a	_	_	n/a
252 Water Conital Prainct							
53 Water Capital Project	1,016,646	1,016,646	-	n/a	-	-	n/a
OTAL WATER FUNDS	14,875,002	14,875,002	764,343	5%	873,685	(109,342)	-13%
OTAL ENTERPRISE FUNDS	21,819,453	21,819,453	1,277,983	6%	1,549,790	(271,807)	-18%
NTERNAL SERVICE FUNDS							
30 INFORMATION SERVICES	279,995	279,995	19,246	7%	20,438	(1,192)	-6%
40 BUILDING MAINTENANCE SERVICES	1,652,610	1,652,610	137,717	8%	74,253	63,464	85%
45 CIP ADMINISTRATION	1,395,765	1,395,765	67,807	5%	76,985	(9,178)	-12%
60 UNEMPLOYMENT INSURANCE	60,484	60,484	-	n/a	-	-	n/a
70 WORKERS COMPENSATION	875,300	875,300	80,030	9%	36,055	43,975	122%
90 EQUIPMENT REPLACEMENT	373,009	373,009	25,421	7%	16,979	8,442	50%
93 CORPORATION YARD COMMISSION	136,715	136,715	-,	n/a		-, <u>-</u>	n/a
95 GENERAL LIABILITY INSURANCE	453,709	453,709	35,642	8%	30,966	4,676	15%



FUND			CURRENT			INCR (DECR)	
REVENUE	ADOPTED	AMENDED	YTD	%	PRIOR	FROM PRIOR	%
SOURCE	BUDGET	BUDGET	ACTUAL	OF BUDGET	YTD	YTD	CHANGE
AGENCY FUNDS							
841 M.H. BUS.RANCH A.D. I	-	-	-	n/a	-	-	n/a
842 M.H. BUS.RANCH A.D. II	-	-	-	n/a	-	-	n/a
843 M.H. BUS.RANCH 1998	905,353	905,353	-	n/a	-	-	n/a
844 M.H. RANCH REFUNDING 2004A	619,142	619,142	299,862	48%	-	299,862	n/a
845 MADRONE BP-TAX EXEMPT	826,553	826,553	-	n/a	-	-	n/a
846 MADRONE BP-TAXABLE	179,459	179,459	-	n/a	-	-	n/a
848 TENNANT AVE.BUS.PK A.D.	37,993	37,993	-	n/a	-	-	n/a
881 POLICE DONATION TRUST FUND	465	465	-	n/a	-	-	n/a
TOTAL AGENCY FUNDS	2,568,965	2,568,965	299,862	12%	-	299,862	n/a
TOTAL FOR ALL FUNDS	77,801,522	77,801,522	3,982,137	5%	3,444,224	543,798	16%



		THIS						
FUND		MONTH						PERCENT OF
NO.	FUND/ACTIVITY	ACTUAL	ADOPTED	<b>AMENDED</b>	YTD	OUTSTANDING	TOTAL	TOTAL TO
		EXPENSES	BUDGET	BUDGET	<b>EXPENSES</b>	<b>ENCUMBRANCE</b>	ALLOCATED	BUDGET

GENERAL GOVERNMENT							
COUNCIL AND MISCELLANEOUS GOVT							
City Council	16,028	174,319	197,375	16,028	23,056	39,084	20%
Community Promotions	1,366	28,114	28,114	1,366		1,366	<u>5%</u>
COUNCIL AND MISCELLANEOUS GO	17,394	202,433	225,489	17,394	23,056	40,450	18%
CITY ATTORNEY	21,893	566,191	600,022	21,893	33,831	55,724	<u>9%</u>
CITY MANAGER							
City Manager	27,588	318,659	318,659	27,588		27,588	9%
Cable Television	976	44,961	46,711	976	1,750	2,726	6%
Communications & Marketing	3,678	71,045	71,730	3,678	685	4,363	<u>6%</u>
CITY MANAGER	32,242	434,665	437,100	32,242	2,435	34,677	8%
RECREATION							
Recreation	29,148	285,551	294,331	29,148	8,780	37,928	13%
Community & Cultural Center	72,182	1,287,874	1,402,661	72,182	114,787	186,969	13%
Aquatics Center	197,362	1,179,260	1,203,359	197,362	24,099	221,461	<u>18%</u>
RECREATION	298,692	2,752,685	2,900,351	298,692	147,666	446,358	15%
HUMAN RESOURCES							
Human Resources	39,434	485,417	485,417	39,434	-	39,434	8%
Volunteer Programs	3,651	55,912	55,912	3,651	<u>-</u>	3,651	<u>7%</u>
HUMAN RESOURCES	43,085	541,329	541,329	43,085		43,085	8%
CITY CLERK							
City Clerk	17,723	252,920	253,781	17,723	861	18,584	7%
Elections	3,759	100,296	100,296	3,759	<u> </u>	3,759	4%
CITY CLERK	21,482	353,216	354,077	21,482	861	22,343	6%
FINANCE	65,424	927,325	927,325	65,424		65,424	7%
MEDICAL SERVICES	-		5,000		5,000	5,000	n/a
TAL GENERAL GOVERNMENT	500,212	5,777,844	5,990,693	500,212	212,849	713,061	12%
PUBLIC SAFETY							
POLICE							
PD Administration	39,758	614,784	614,784	39,758		39,758	6%
Patrol	283,737	4,106,920	4,123,220	283,737	16,300	300,037	7%
Support Services	72,630	949,449	952,181	72,630	2,732	75,362	8%
Emergency Services/Haz Mat	1,428	46,252	50,264	1,428	4,012	5,440	11%
Special Operations	84,525	1,195,840	1,205,249	84,525	9,409	93,934	8%
Animal Control	5,654	86,078	86,078	5,654		5,654	7%
Dispatch Services	61,320	988,927	989,577	61,320	650	61,970	6%
POLICE	549,052	7,988,250	8,021,353	549,052	33,103	582,155	7%
FIRE	349,531	4,194,617	4,194,617	349,531	-	349,531	8%
TAL PUBLIC SAFETY	898,583	12,182,867	12,215,970	898,583	33,103	931,686	8%
COMMUNITY IMPROVEMENT							
COMMUNITY IMPROVEMENT PARK MAINTENANCE	13,182	705,572	723,474	13,182	17,902	31,084	4%



	STORES OF STREET OF STREET OF THE STREET OF		070 OI I Cai O	p.:				
FUND NO.	FUND/ACTIVITY	THIS MONTH ACTUAL EXPENSES	ADOPTED BUDGET	AMENDED BUDGET	YTD EXPENSES	OUTSTANDING ENCUMBRANCE	TOTAL ALLOCATED	PERCENT OF TOTAL TO BUDGET
IV. TRA	ANSFERS							
	Public Safety					-	-	n/a
	Community Development	4,167	50,000 49,025	50,000	4,167			2/2
	Info Systems Employee Assistance	-	49,025	49,025	-	-	-	n/a <u>n/a</u>
	Employee Addictance							<u>11/4</u>
TC	OTAL TRANSFERS	4,167	99,025	99,025	4,167	-	-	n/a
TOTAL (	GENERAL FUND	1,416,144	18,765,308	19,029,162	1,416,144	263,854	1,675,831	9%
ODEOLA	L DEVENUE FUNDO							
SPECIAL	L REVENUE FUNDS							
202 STR	EET MAINTENANCE							
	Street Maintenance/Traffic	46,414	1,593,914	1,677,946	46,414	84,032	130,446	8%
	Congestion Management	3,264	80,329	80,329	3,264		3,264	4%
202 675	Street CIP	18,274	44,993	215,532	18,274	<u>170,539</u>	188,813	88% 46%
202 STR	EET MAINTENANCE	67,952	1,719,236	1,973,807	67,952	254,571	322,523	16%
204/205	PUBLIC SAFETY/SUPP.LAW	14,627	175,520	175,520	14,627		14,627	8%
206 COI	MMUNITY DEVELOPMENT FUND							
	Planning	67,996	1,086,783	1,236,714	67,996	149,931	217,927	18%
	Building	59,786	1,038,955	1,055,719	59,786	16,764	76,550	7%
	PW-Engineering	54,112	1,096,107	1,130,449	54,112	34,342	88,454	<u>8%</u>
206 COI	MMUNITY DEVELOPMENT FUND	181,894	3,221,845	3,422,882	181,894	201,037	382,931	11%
207	GENERAL PLAN UPDATE	1,011	60,498	148,335	1,011	87,837	88,848	60%
210 215/216	COMMUNITY CENTER CDBG	2,174	288,007	370,012	2,174	82,005	- 84,179	n/a 23%
220	MUSEUM RENTAL	2,174	200,007	370,012	2,174	02,003	04,175	n/a
225	ASSET SEIZURE	_	_	_	_		-	n/a
229	LIGHTING AND LANDSCAPE	2,491	14,038	21,654	2,491	7,616	10,107	47%
232	ENVIRONMENT PROGRAMS	14,177	417,937	443,060	14,177	25,123	39,300	9%
234	MOBILE HOME PARK	124	5,202	200,545	124	195,343	195,467	97%
235	SENIOR HOUSING TRUST FUN		20,180	20,180	-	,	-	n/a
236	HOUSING MITIGATION FUND	_	1,015,000	1,015,000	-		_	n/a
240	EMPLOYEE ASSISTANCE	1,221	25,000	25,000	1,221	-	1,221	5%
TOTAL S	SPECIAL REVENUE FUNDS	285,671	6,962,463	7,815,995	285,671	853,532	1,139,203	15%
CADITAI	L PROJECT FUNDS							
VAFITAL	LI ROJEOT I UNDO							
301	PARK DEVELOPMENT	377	2,062,944	2,138,333	377	75,389	75,766	4%
302	PARK MAINTENANCE	-	150,000	150,000	-		-	n/a
303	LOCAL DRAINAGE	128	2,001,536	2,001,536	128		128	0%
304	LOCAL DRAIN. NON-AB1600	139	841,669	854,739	139	13,070	13,209	2%
305	OFF STREET PARKING	-			-		-	n/a
309	TRAFFIC MITIGATION	6,999	1,050,000	1,480,879	6,999	430,879	437,878	30%
311	POLICE MITIGATION	495	88,937	98,937	495	10,000	10,495	11%
313	FIRE MITIGATION	115	101,380	110,481	115	9,101	9,216	8%
317	RDA HOUSING	347,559	13,453,262	17,084,833	347,559	3,631,571	3,979,130	23%
327/328		60,856	5,824,189	5,846,002	60,856	21,813	82,669	1%
346	PUBLIC FACILITIES	(312)	553,000	1,158,058	(312)		604,746	52%
347	PUBLIC FACILITIES	114	1,365	11,115	114	9,750	9,864	89%
348 350	LIBRARY IMPACT	17 33	1,000,202	1,000,202	17 33	24 007	17 31 930	0% 8%
360	UNDERGROUNDING COMM/REC CTR IMPACT	-	375,390 50,000	407,287 50,000	-	31,897	31,930 -	8% n/a
	- 5 VIII MUI MVI	-	55,000	33,000	_		_	1114
TOTAL (	CAPITAL PROJECTS FUNDS	416,520	27,553,874	32,392,402	416,520	4,838,528	5,255,048	16%



			070 Of Teal O	ompieteu				
FUND NO.	FUND/ACTIVITY	THIS MONTH ACTUAL EXPENSES	ADOPTED BUDGET	AMENDED BUDGET	YTD EXPENSES	OUTSTANDING ENCUMBRANCE	TOTAL ALLOCATED	PERCENT OF TOTAL TO BUDGET
DEBT SI	ERVICE FUNDS							
DEBT 31	ERVICE FUNDS							
527	HIDDEN CREEK A.D.	-	-	-	-	-	-	n/a
536	ENCINO HILLS A.D.	-	-	-	-	-	-	n/a
539	MORGAN HILL BUS. PARK A.D	-	-	-	-	-	-	n/a
542	SUTTER BUS. PARK A.D.	-	-	-	-	-	-	n/a
545 551	COCHRANE BUS. PARK A.D. JOLEEN WAY A.D.	834 805	194,200 39,561	194,200 39,561	834 805	-	834 805	0% 2%
TOTAL [	DEBT SERVICE FUNDS	1,639	233,761	233,761	1,639	-	1,639	1%
ENTERP	PRISE FUNDS							
SEWER								
640	SEWER OPERATION	1,390,275	6,450,819	6,532,327	1,390,275	81,508	1,471,783	23%
641	CAPITAL EXPANSION	133,594	3,556,745	3,616,298	133,594	59,553	193,147	5%
642	SEWER RATE STABILIZATION	176	2,117	2,117	176	***	176	8%
643	SEWER-CAPITAL PROJECTS	2,588	472,539	698,940	2,588	226,401	228,989	33% 47%
TOTAL S	SEWER FUND(S)	1,526,633	10,482,220	10,849,682	1,526,633	367,462	1,894,095	17%
WATER								
	Water Operations Division	155,240	6,541,316	7,027,144	155,240	485,828	641,068	9%
	Meter Reading/Repair	49,359	719,352	719,954	49,359	602	49,961	7%
	Utility Billing	22,043	392,283	399,560	22,043	7,277	29,320	7%
	Water Conservation	3,550	59,466	64,711	3,550	5,245	8,795	<u>14%</u>
650	WATER OPERATIONS	230,192	7,712,417	8,211,369	230,192	498,952	729,144	9%
651	CAPITAL EXPANSION	14,043	2,845,226	2,938,196	14,043	92,970	107,013	4%
652 050	WATER RATE STABILIZATION	41	493	493	41	222 222	41	8%
653 TOTAL V	WATER-CAPITAL PROJECTS WATER FUND(S)	8,468 252,744	1,115,923 11,674,059	1,702,745 12,852,803	8,468 252,744	236,822 828,744	245,290 1,081,488	<u>14%</u> 8%
TOTAL E	ENTERPRISE FUNDS	1,779,377	22,156,279	23,702,485	1,779,377	1,196,206	2,975,583	13%
INTERNA	AL SERVICE FUNDS							
730	INFORMATION SERVICES	15,112	430,970	437,880	15,112	6,910	22,022	5%
740	BUILDING MAINTENANCE	33,344	1,343,445	1,369,948	33,344	26,503	59,847	4%
745	CIP ENGINEERING	67,807	1,395,765	1,471,016	67,807	75,251	143,058	10%
760	UNEMPLOYMENT	-	55,000	55,000	-		-	n/a
770	WORKERS COMPENSATION	8,126	767,200	789,775	8,126	22,575	30,701	4%
790	EQUIPMENT REPLACEMENT	131	187,240	187,240	131		131	0%
793	CORP YARD COMMISSION	-	130,200	173,886	-	43,686	43,686	25%
795	GEN. LIABILITY INSURANCE	305,459	427,700	427,700	305,459	-	305,459	71%
TOTAL I	NTERNAL SERVICE FUNDS	429,979	4,737,520	4,912,445	429,979	174,925	604,904	12%
AGENCY	Y FUNDS							
841	MORGAN HILL BUS RANCH I	299,862			299,862		299,862	n/a
842	MORGAN HILL BUS RANCH II	299,002	-	-	233,002	-	299,002	n/a n/a
843	MORGAN HILL BUS RANCH 11	1,019	893,395	893,395	1,019	-	1,019	0%
844	MH RANCH RSMNT 2004A	1,270	598,873	598,873	1,270	-	1,270	0%
845	MADRONE BP-TAX EXEMPT	1,226	800,730	800,730	1,226	-	1,226	0%
846	MADRONE BP-TAXABLE	748	175,480	175,480	748	-	748	0%
848	TENNANT AVE BUS PARK AD		-	-	-	_	-	n/a
881	POLICE DONATION TRUST	-	-	-	-	-	-	n/a
TOTAL A	AGENCY FUNDS	304,125	2,468,478	2,468,478	304,125	-	304,125	12%
REPORT	T TOTAL	4,633,455	82,877,683	90,554,728	4,633,455	7,327,045	11,956,333	13%
		-						



City of Morgan Hill Enterprise Funds Report - Fiscal Year 2004/05 For the Month of July 2004 8% of Year Completed

# YTD INCOME STATEMENT FOR CURRENT AND PRIOR YEAR

		Sewer Oper	rations			Water Ope	rations	
			% of	Prior			% of	Prior
	Budget	YTD	Budget	YTD	Budget	YTD	Budget	YTD
Operations								
Revenues								
Service Charges Meter Install & Service	\$ 5,459,000	\$ 446,968	8%	,	\$ 5,821,375 40,000	\$ 672,220 19,722	12% 49%	10,738
Other	110,500	7,605	7%	19,674	279,688	55,952	20%	38,168
Total Operating Revenues	5,569,500	454,573	8%	443,537	6,141,063	747,894	12%	755,763
Expenses								
Operations Meter Reading/Repair Utility Billing/Water Conservation	4,682,409	107,452	2%	100,443	4,750,307 637,156 399,783	(417,850) 49,359 25,593	-9% 8% 6%	244,379 24,396 20,477
Total Operating Expenses	4,682,409	107,452	2%	100,443	5,787,246	(342,898)	-6%	289,252
Operating Income (Loss)	887,091	347,121		343,094	353,817	1,090,792		466,511
Nonoperating revenue (expense)								
Interest Income Interest Expense/Debt Services Principal Expense/Debt Services	59,437 (573,410) (975,000)		50% 100%		16,848 (243,249) (310,296)			- - -
Total Nonoperating revenue (expense)	(1,488,973)	(1,264,490)		-	(536,697)	-		_
Income before operating xfers	(601,882)	(917,369)		343,094	(182,880)	1,090,792		466,511
Operating transfers in Operating transfers (out)	(220,000)	- (18,333)	8%	87,148 (34,440)	2,500,000 (420,000)	(573,090)	136%	87,149 (34,791)
Net Income (Loss)	\$ (821,882)	\$ (935,702)		\$ 395,802	\$ 1,897,120	\$ 517,702		\$ 518,869



# City of Morgan Hill Balance Sheets - Water and Sewer Funds For the Month of July 2004 8% of Year Completed

	Sewer Operations (640)	Sewer Expansion Stabilization Capital Projects (641-643)	Water Operations (650)	Water Expansion Stabilization Capital Projects (651-653)
ASSETS				
Cash and investments:				
Unrestricted	2,035,940	6,721,126	2,987,095	3,375,322
Restricted <sup>1</sup>	1,849,400	6,155,002	390,261	(97,186)
Accounts Receivable		7,639		
Utility Receivables	639,002	,	930,547	
Less Allowance for Doubtful Accounts	(2,633)		(2,751)	
Notes Receivable <sup>2</sup> Fixed Assets <sup>3</sup>	04 000 400	0.044.450	00 004 440	0.000.040
Fixed Assets	31,802,422	9,911,459	23,624,143	8,620,812
Total Assets	36,324,131	22,795,226	27,929,295	11,898,948
LIABILITIES				
Accounts Payable and Accrued Liabilities Deposits for Water Services & Other Deposits Deferred Revenue 4	269,152	128,210	79,307 125,444	
Bonds Payable	25,390,000		5,985,863	
Discount on Bonds and Other Liabilities	(2,705,125)		(957,773)	
Accrued Vacation and Comp Time	53,326		9,776	
Total liabilities	23,007,353	128,210	5,242,617	0
FUND EQUITY				
Contributed Capital Retained Earnings	6,686,483		13,047,150	
Reserved for:				
Noncurrent water/sewer assets & debt	9,064,222	9,911,459	18,586,278	8,620,812
Encumbrances	81,508	285,954	498,952	329,792
Notes Receivable Restricted Cash	1,849,400	0	390,261	
Nestricted Casti	1,073,400		J90,201	
Total Reserved Retained Earnings	10,995,130	10,197,413	19,475,491	8,950,604
Unreserved Retained Earnings	2,321,648	12,469,603	3,211,187	2,948,344
Total Fund Equity	13,316,778	22,667,016	22,686,678	11,898,948
<b>Total Liabilities and Fund Equity</b>	36,324,131	22,795,226	27,929,295	11,898,948

Restricted for Bond Reserve requirements and capital expansion.
 Includes Note for Sewer Financing Agreements.
 Includes Water and Sewer infrastructure and the City's share of the Wastewater treatment plant.

<sup>&</sup>lt;sup>4</sup> Includes the deferred payment portion of the loans noted above.



City of Morgan Hill Balance Sheets for Major Funds - Fiscal Year 2004/05 For the Month of July 2004 8% of Year Completed

L/M Housing

Sewer

Water

RDA

	(Fund 010)	(Fund 317)	(Fund 327/328)	(Fund 640)	(Fund 650)
ASSETS					
Cash and investments:					
Unrestricted	10,384,154	3,951,518	5,812,033	2,035,940	2,987,095
Restricted <sup>1</sup>	6,150			1,849,400	390,261
Accounts Receivable Utility Receivables (Sewer and Water)	964,982	8,274	7,805	639,002	930,547
Less Allowance for Doubtful Accounts				(2,633)	(2,751)
Loans and Notes Receivable <sup>2</sup>	439,494	3,327,828	24,132,268	( ) )	( ) - )
Prepaid Expense	4,276				
Fixed Assets <sup>3</sup>		71,049		31,802,422	23,624,143
Total Assets	11,799,056	7,358,669	29,952,106	36,324,131	27,929,295
LIABILITIES					
Accounts Payable and Accrued Liabilities	388,765	24,945	19,949	269,152	79,307
Deposits for Water Services & Other Deposits	390,465	,	·	,	125,444
Deferred Revenue <sup>4</sup>	535,410	1,143,834	6,286,255		
Bonds Payable Discount on Bonds and Other Liabilities				25,390,000	5,985,863
Accrued Vacation and Comp Time				(2,705,125) 53,326	(957,773) 9,776
Total liabilities	1,314,640	1,168,779	6,306,204	23,007,353	5,242,617
	1,014,040	1,100,110	0,000,204	20,001,000	0,242,011
FUND EQUITY					
Contributed Capital				6,686,483	13,047,150
Fund Balance / Retained Earnings					
Reserved for:					
Noncurrent water/sewer assets & debt				9,064,222	18,586,278
Encumbrances	263,854	3,631,571	21,813	81,508	498,952
Restricted Cash		74 040		1,849,400	390,261
RDA properties held for resale Loans and Notes Receivable		71,049 2,183,994	17,846,014		
Tital Brown of Earlies 19	000.054			40.005.400	40 475 404
Total Reserved Fund Equity	263,854	5,886,614	17,867,827	10,995,130	19,475,491
Designated Fund Equity <sup>5</sup>	4,109,213				
Unreserved/Undesignated Fund Equity	6,111,349	303,276	5,778,075	2,321,648	3,211,187
Total Fund Equity	10,484,416	6,189,890	23,645,902	13,316,778	22,686,678
Total Liabilities and Fund Equity	11,799,056	7,358,669	29,952,106	36,324,131	27,929,295

General Fund

<sup>&</sup>lt;sup>1</sup> Restricted for Petty Cash use, Bond Reserve requirements and sewer and water capital expansion.

<sup>&</sup>lt;sup>2</sup> Includes Housing Rehab loans, Financing Agreements for Public Works Fees and loans for several housing and Agency projects.

<sup>&</sup>lt;sup>3</sup> Includes Water and Sewer infrastructure, the City's share of the Wastewater treatment plant and RDA properties held for resale.

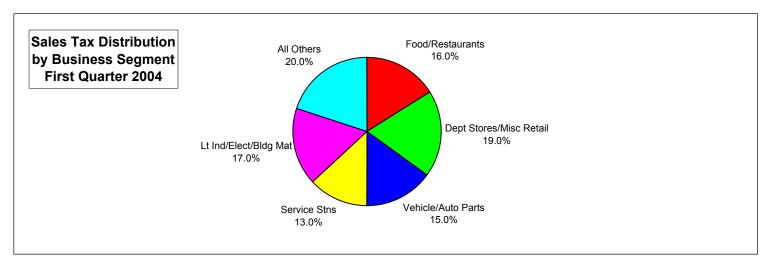
<sup>&</sup>lt;sup>4</sup> Includes the deferred payment portion of the loans noted above.

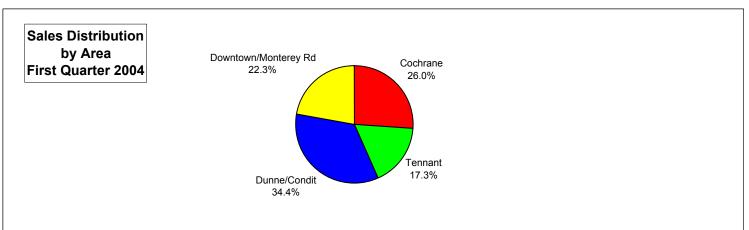
<sup>&</sup>lt;sup>5</sup> Designated for economic uncertainty, emergencies, and Fire Master Plan implementation



City of Morgan Hill Sales Tax Comparison - Fiscal Year 2004/05 For the Month of July 2004 8% of Year Completed

	Amount Collecte	d for Month fo	or Fiscal Year	Amount Colle	Amount Collected YTD for Fiscal Year		Comparison of YTD for fiscal year	
Month	04/05	03/04	02/03	04/05	03/04	02/03	04/05 to 03/02	04/05 to 02/03
		•			•			
July	\$307,500	\$338,300	\$367,600	\$307,500	\$338,300	\$367,600	(30,800)	(60,100)
August		\$451,000	\$447,000		\$789,300	\$814,600		
September	r	\$232,994	\$361,932		\$1,022,294	\$1,176,532		
October		\$316,100	\$354,915		\$1,338,394	\$1,531,447		
November		\$421,400	\$474,800		\$1,759,794	\$2,006,247		
December		\$331,624	\$384,154		\$2,091,418	\$2,390,401		
January		\$349,500	\$368,600		\$2,440,918	\$2,759,001		
February		\$428,600	\$487,195		\$2,869,518	\$3,246,196		
March		\$292,930	\$225,908		\$3,162,448	\$3,472,104		
April		\$340,500	\$292,698		\$3,502,948	\$3,764,802		
May		\$385,525	\$394,500		\$3,888,473	\$4,159,302		
June		\$261,782	\$477,624		\$4,150,255	\$4,636,926		
Year To Da	ate Totals			\$307,500	\$4,150,255	\$4,636,926		
Sales Tax	Budget for Year			\$4,600,000	\$4,650,000	\$5,330,000		
Percent of	f Budget			7%	89%	87%		
	f increase(decreas	se)					-9%	-16%







# CITY COUNCIL STAFF REPORT

CITY OF MORGAN HILL MEETING DATE: AUGUST 25, 2004

TITLE: PERFORMANCE MEASURE UPDATE – FOURTH QUARTER FY 2003/04

**RECOMMENDED ACTION:** Receive and file

Prepared By:

Budget Manager

Approved By:

Finance Director

Submitted By:

City Manager

Agenda Item # 6

### **EXECUTIVE SUMMARY:**

With the inclusion of performance measures into the document, the City's adopted FY 2003/04 Operating and Capital Budget has received the prestigious Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award.

The City started implementing performance measures in the FY 2002/03 Operating and Capital Budget, and on a quarterly basis, staff has been presenting Performance Measure Updates to the City Council. Attachment A is the update for the fourth quarter of FY 2003/04.

### **FISCAL IMPACT:**

None.

6/30/04 Update Performance Measure	Actual Result for 2002-03	Status of measure as of 03/31/04	Status of measure as of 06/30/04	Explanatory Comments (as needed)
				•
[010-1100] CITY COUNCIL				Responsibility: City Clerk's Office
Council/Redevelopment Agency Meeting Minutes produced	86	39	69	
Time required to draft, proof and edit minutes for every 4 hours of meeting time	1.5 hours	1.5 (average)	1.5 (average)	
Total time to produce minutes	425 hours	206 hours	274 hours	
Percentage of Minutes completed without errors of fact	98%	100%	100%	
Completing Minutes within 2 weeks	100%	100%	99%	
[010-1220] COMMUNITY PRO				Responsibility: City Clerk's Office
Proclamations Produced	190	70	110	
Staff time to coordinate/draft requests for proclamations for Council members, staff and outside requests	1.5 hours	1.5 hours	1.5 hours	
Hours to produce all proclamations	285 hours	105 hours	165 hours	
Percentage of Proclamations completed for a particular meeting date, as requested	100%	100%	100%	
010-2410] COUNCIL SERVIC	ES & RECORDS MA	NAGEMENT		Responsibility: City Clerk's Office
Number of requests for public records	895	528	754	
Completed within: 1 day	86.7%	84.8%	85.5%	
10 days	11.8%	14.1%	13.6%	
10+ days	1.5%	1.1%	0.9%	
[010-2420] ELECTIONS DIVI	SION			Responsibility: City Clerk's Office
Number of Statement of Economic Interests filed	3 (105)	79 (108 total)	115	
Percentage filed by deadline	100%	73.2%	92.2%	
Percentage filed late	0%	0%	7.8%	
[010-1500] CITY ATTORNEY	,			Responsibility: City Attorney's Office
Standard contracts reviewed within ten days	100%	100%		100ponoisinity. Only recorney 3 office
Amended Municipal Chapter Codes adopted by the City	4	4		
Hours of MCLE	26	17		
Closure of more than 50% of defense cases under \$75,000 in legal fees	100%	100%		

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6/30/04 Update Performance Measure	Actual Result for 2002-03	Status of measure as of 03/31/04	Status of measure as of 06/30/04	Explanatory Comments (as needed)
[010-2100] CITY MANAGER				Responsibility: City Manager's Office
Percentage of workplan projects, City-wide, that are completed within the planned time frame	35%	55%	40%	
Actual General Fund expenditures as a percentage of the current General Fund budget	93%	67%	97%	
City General Fund reserves as a proportion of current General Fund revenue projections	64%	67%	66%	
[010-5140] CABLE TELEVIS	ION			Responsibility: City Manager's Office
Number of cable complaints received	12	9	12	
Number of cable complaint processes completed	12	9	12	
Average number of days taken to completely process each cable complaint	10.67	2.11	3.25	
[010-5145] COMMUNICATIO	NS AND MARKETIN	G		Responsibility: City Manager's Office
Pages of City Visions produced	72	56	80	
Dollars (not inclusive of staffing) spent on producing City Visions.	\$57,364	\$41,232	\$63,684	
Dollars per page of City Visions produced and distributed.	\$797	\$736	\$796	
[010-2110] RECREATION DI			. ,	ion and Community Services Division
Overall cost of staff time to develop Recreation Guide, recruit instructors, negotiate contracts	\$37,921	\$12,188	\$15,100	
Overall cost produce and advertise recreation classes	\$9,064	\$3,552	\$2,517	25% of cost of production covered by Aquatics
Number of participants	2,171	1927	1567	
Cost per participant to produce Recreation Guide	\$4.17	\$1.84	\$1.60	
Percent cost recovery for Recreation Division	5.2%	4%	13%	Recreation revenues received in 4 <sup>th</sup> quarter =\$135,760;53% higher than in 3 <sup>rd</sup> quarter
[010-2115] COMMUNITY AN	D CULTURAL CENTI	ER	Responsibility: Recreat	ion and Community Services Division
Facility rentals	117	119	541	

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4/20/04 Updata	Actual Decult for 2002 02	Ctatus of massives as of	Ctatus of massure as of	Evalenatory Comments (as readed)		
<u>6/30/04 Update</u> Performance Measure	Actual Result for 2002-03	Status of measure as of 03/31/04	Status of measure as of 06/30/04	Explanatory Comments (as needed)		
[010-2210] VOLUNTEER SEF	[010-2210] VOLUNTEER SERVICES PROGRAM Responsibility: Recreation and Community Services Divis					
Number of external requests for municipal volunteer opportunities to number of actual placements	50 to 18	57 to 11	92 to 45			
Number of internal requests for volunteers to number of actual placements.	12 to 11	0 to 1	17 to 13			
[010-2200] HUMAN RESOUR	PCES OFFICE		Resnon	sibility: Human Resources Department		
Cost of providing 24 hours of enhanced training	\$37,307	\$31,905	\$38,830	Sibility. Haman Resources Department		
(beyond legal requirements) to each employee per year (est. \$250 per employee)	\$37,307	\$31,700	\$30,03U			
Number of recruitment processes which include selection criteria such as: flexibility, change management, attitude to work, fit for the organization, etc., in addition to the task requirements of the position	4 of 4	7 of 7	14 of 14			
Number of employees recognized for exemplary customer service, new ways of accomplishing work, successful cost reducing ideas, years of service	125	45	80			
Number of HR staff hours spent in training, communicating and consulting to the number of HR staff hours spent recruiting to fill vacant positions.	3.5 to 4	4.5 to 3	4.5 to 4			
Average cost to recruit and hire a new employee	\$2,500	\$2,000	\$2,000			
Percent of increase in customer satisfaction based on employee opinion survey follow-up	N/A	N/A	0%			
[770-8220] WORKERS COMF	PENSATION INSURA	NCF	Respon	sibility: Human Resources Department		
Number of workers' compensation claims involving temporary disability benefits	9	11	14	,		
Number of lost work days caused by temporary disability	739	703	840			
Average length of time to bring an injured employee off temporary disability	74	54	60			
[010-2510] FINANCE Responsibility: Finance Department						
Staff hours designated for Accounts Payable	2,000 hours	1,170	1,660	1.03ponsionity. Finance Department		
Invoices processed	13,871	10,200	13,826			
0/ 61 H H H H H	10,011	10,200	10,020			

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85%

88%

86%

% of invoices paid by due date

<mark>6/30/04 Update</mark> Performance Measure	Actual Result for 2002-03	Status of measure as of 03/31/04	Status of measure as of 06/30/04	Explanatory Comments (as needed)
Average time to process an invoice	8.66 minutes	6.88 minutes	7.20 minutes	
[650-5750] UTILITY BILLING	G – SEWER & WATER	₹		Responsibility: Finance Department
Staff hours designated to Utility Billing	4,168	3,125	3,800	
Bills processed per year	134,270	102,250	137,206	
Percent sent out error free	96.9%	99.9%	99.9%	
Average time to process a bill	1.87 minutes	1.83 minutes	1.66 minutes	
[795-8210] GENERAL LIABIL	LITY INSURANCE			Responsibility: Finance Department
Percent of claims responded to within the statutory time frame of 45 days, either through a rejection of the claim or through a proposed resolution.	78%	100%	100%	
[010-3205] POLICE ADMINIS	STRATION			Responsibility: <b>Police Department</b>
Number of citizens' complaints regarding police services to the number of hours spent processing complaints.	100.85 hours (31 complaints)	6 Complaints/30 Hours	10 Complaints/70 Hours	Treependiemy, 1 enes 2 epartiment
Percent of formal citizens' complaints resolved within 45 days of receipt.	50%	100%	75%	
Percentage of sworn personnel who receive 24 hours of Continued Proficiency Training	42%	67%	73%	
Deficiencies reported in the annual POST audit	0	No audit this quarter	No audit this year	
[010-3210] POLICE FIELD O	PERATIONS			Responsibility: Police Department
Number of self initiated contacts compared to the number of calls for service.	SI - 15,363 CFS – 25,668	SI -10,995 CFS - 12,740	SI-14,009 CFS-20,114	
Percent of clearance in Part I and Part II crime rates in Morgan Hill compared to the national rate	MH 13% National 21%	MH 20% National 21%	MH 7% National 21%	
Percent of Priority I calls responded to within 5 minutes of receipt	100%	100%	100%	
CFS prior to and after implementation of POP project	N/A	25 prior/49 after	25 Prior/53 After	
[010-3225] POLICE SUPPOR	Responsibility: Police Department			
Number of hours per week dedicated to the property/evidence function	35 hours/week	35 hours/week	40 hours/week	

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6/30/04 Update Performance Measure	Actual Result for 2002-03	Status of measure as of 03/31/04	Status of measure as of 06/30/04	Explanatory Comments (as needed)
Percent of property/evidence released or purged within 30 days of clearance	100%	90%	100%	
Percent of arrests entered into CJIC within 48 business hours of arrest date	100%	100%	100%	
Number of incident reports stored electronically	5,184	3,528	4,589	

[010-3230] EMERGENCY SE	Responsibility: Police Department			
Number of preparedness presentation hours given to the community	176 hours	30 hours	51 hours	
Number of organized CERT teams capable of operating within the City	6 teams of 15-25 members	6 teams of 15-25 members	6 teams of 15-25 members	
Number of emergency drills/exercises	3	1	1	
Number of sections of the disaster plan updated annually	2 new additions	New plan pending	New plan pending	

[010-3245] POLICE SPECIAL	Responsibility: Police Department			
Number of investigations assigned to Special	190	133	228	
Operations				
Number of incidents investigated by division	75	44	71	
personnel submitted to the D.A.'s Office				
requesting the issuance of a criminal complaint				
Number of Neighborhood Watch Programs	N/A	23	26	
presented to the community				

[010-5450] ANIMAL CONTRO	OL SERVICES UNIT			Responsibility: Police Department
Number of hours per week spent enforcing animal license provisions of State law and local ordinance.	8 hours/day	40 hours/week	40 hours/week	
Number of animal licenses issued to Morgan Hill residents	1,128	494	716	
Number of Morgan Hill impounded animals returned to their owners within 4 days	32	38	59	
Number of unlicensed dogs impounded or owners cited compared to the number of licensed dogs	135 1,123	78 unl.imp./414 lic. 14 cites	81 unl.imp./781 lic. 15 cites	
Percent of unaltered to altered Morgan Hill animals receiving licenses	N/A	26% 107/414	22% 141/640	

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<mark>6/30/04 Update</mark> Performance Measure	Actual Result for 2002-03	Status of measure as of 03/31/04	Status of measure as of 06/30/04	Explanatory Comments (as needed)
[010-8270] POLICE DISPATO	Responsibility: Police Department			
Number of 911 calls received	6,500	4,403	6,314	
Average time to answer 98% of 911 phone calls	11 seconds (30% less than 5 seconds)	11 seconds (29% less than 5 seconds	11 seconds (29% less than 5 seconds	
Average time between receipt of a Priority I call and dispatch of a unit.	1:57	1:07	2:18	

[206-5120] PLANNING			Responsibility: C	Community Development Department
Number and percent of SR Applications processed within 90 days (excluding CEQA projects requiring initial study or EIR)	32 applications: 9 incomplete, 18 completed within 90 days of application, 5 went before ARB within 90 days of app. = 100%	21 applications: 6 approved within 90 days; 1 approved in 91 days; 3 set for ARB meeting (future) within 90 days; 6 cannot go before ARB until CC & PC approves related projects; 5 incomplete = 95%	within 90 days; 6 cannot go	
Number of applications filed which require Architecture Review Board, Planning Commission or City Council approval	219	143	185	
Percent of RDCS Projects provided 30-day notice of default or expiration of allotment	99%	100%	100%	
Number of applications (which require ARB, PC or CC approval) processed per planner	Senior – 65 Assoc – 56 Asst – 44 Staff – 54	Senior – 26 Assoc – 87 Staff – 30	Senior – 37 Assoc – 114 Staff – 34	
Percent of DRC comments received on time	85%	75%	70%	

[206-5130] BUILDING DIVISION			Responsibility: C	Community Development Department
Percentage of inspections accomplished within a 24 hour response timeline	100%	98.6%	96.5%	
Number of complaints and cases processed	210	633	908	
Number of Code Enforcement cases investigated or mitigated	188	591	871	
Percent of Code Enforcement cases completed and closed	91%	93%	96%	

[010-5440] PUBLIC WORKS PARK MAINTENANCE			Res	sponsibility: Public Works Department
Average Customer Work Order Response Time Non-Emergency Emergency	2 Days, 14 Hours 0	1 Day, 12.5 hours 0	1 Day, 20 hours 0	
Annual Maintenance Cost	\$14,136/acre	Result Recorded Annually	\$12,600./acre	

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6/30/04 Update	Actual Result for 2002-03	Status of measure as of	Status of measure as of	Explanatory Comments (as needed)
Performance Measure		03/31/04	06/30/04	

[202-6100] PUBLIC WORKS	Re	sponsibility: Public Works Department		
Average Customer Work Order Response Time Non-Emergency Emergency	4 Days 1.5 Hours	2 Days, 5 Hours 10 Minutes	1 Day, 7.5 hours 22 Minutes	
Vegetation Abatement Program	N/A	95% complete	4th qtr = 75% complete	This measure can not be an annual cumulative number. 100% of abatement typically must be accomplished in each the 3 <sup>rd</sup> and 4 <sup>th</sup> quarters of a given fiscal year.
Storm Drain System Facilities	N/A	100% complete	100% complete	
Repair Maintenance Related Permanent Asphalt	N/A	105 Tons	117 Tons	
Curb Miles of Roadside Weed Abatement	27.27 Curb Miles	N/A	N/A	
Tons of Debris Removed by Street Sweeping	423 Tons	N/A	N/A	

[206-5410] PUBLIC WORKS	ENGINEERING	Res	sponsibility: Public Works Department	
Number of Final Maps Recorded	16	5	8	
Number of Plan Checks returned on time	145 out of 166	113/127	162/182	
Number of Planning/Building Division referrals received	127	92	136	
Hours spent inspecting public improvements constructed by private developers	2,170	1,139	1,854	

[232-5800] SOLID WASTE M	ANAGEMENT DIVISI	ON	Re	sponsibility: Public Works Department
Dollars spent communicating recycling information (excluding employee services)	\$87,044	\$72,198	\$81,348	
Tons of recycling collected	8,992	7163	9653	
Number of environmental promotions distributed	10	10	12	
Percentage of customers ranking their solid waste management services "good" or "excellent"	N/A	94%	94%	
Percentage of customers who say they have enough information to properly participate in the City's recycling program	N/A	79%	79%	
Percentage of customers participating in the recycling program	63%	63%	63%	
Solid waste diversion rate	47%	50%	50%	
Dollars spent communicating recycling information per ton of recycling collected	\$9.68/ton	\$10.08/ton	\$8.43/ton	

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<mark>6/30/04 Update</mark> Performance Measure	Actual Result for 2002-03	Status of measure as of 03/31/04	Status of measure as of 06/30/04	Explanatory Comments (as needed)
[640-5900] PUBLIC WORKS	SEWER OPERATION	IS	Re	esponsibility: Public Works Department
Average Customer Work Order Response Time Non-Emergency Emergency	20 Hours 12 Minutes	1 Day, 21.5 Hours 25 Minutes	1 Day, 16 hours 28 Minutes	
Sewer Main Restrictions Cleared	29	19	24	
LF Sewer Main Flushed/Restrictions Cleared	705035	544,884	707,600	
[650-5710] PUBLIC WORKS	WATER OPERATION	IS	Re	esponsibility: Public Works Department
Average Customer Work Order Response Time Non-Emergency Emergency	21 Hours 22 Minutes	19.5 Hours 35 Minutes	18 Hours 16 Minutes	
[650-5720] PUBLIC WORKS	METER READING		Re	esponsibility: Public Works Department
Average Customer Work Order Response Time Non-Emergency Emergency	18 Hours 14 Minutes	19 Hours 4 Minutes	21 Hours 7 Minutes	
Fire Hydrant Maintenance Performed	414	64	146	
Water Meter Tested - 2" or Greater	20	0	20	
Annual Cost to Read a Meter	\$0.59 per meter	Result Recorded Annually	\$0.57 per meter	
[650-5760] WATER CONSER				esponsibility: Public Works Department
Cooperative efforts with Santa Clara Valley Water District to reduce water consumption	3	Result Recorded Annually	3	
[745-8280] PUBLIC WORKS		•	Y	esponsibility: Public Works Department
Number of Engineering Division hours worked on all CIP Projects	10,879	6,577	8,540	
Number of CIP projects awarded	17	10	13	
Percentage of CIP projects completed within Council approved contingency	90%	100%	90%	
Hours spent inspecting public improvements constructed as CIP projects	3,303	1,453	1,698	
[317-7000] BUSINESS ASSIS	STANCE ADMINIST	TDATION Doctor	cibility: Rusiness Assister	ice and Housing Services Department
Value of building permits pulled for commercial tenant improvements	\$11.1 million	\$11,938,879	\$16,092,091	ice and flousing services bepartment
Square footage in building permits pulled for new commercial/industrial space	227,381	175,226	180,269	

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<mark>6/30/04 Update</mark> Performance Measure	Actual Result for 2002-03	Status of measure as of 03/31/04	Status of measure as of 06/30/04	Explanatory Comments (as needed)
Amount of sales or property tax generated from new businesses	\$92,700	119,388	163,516	
Number of new businesses generating sales tax revenue	209	11	13	
Amount of square footage of commercial/industrial buildings developed by businesses receiving ombudsman assistance	N/A	177,141	177,141	
Number of jobs created/retained by businesses receiving ombudsman assistance	N/A	642	649	
Number of marketing packets distributed to prospective businesses	N/A	145	290	
Number of businesses receiving ombudsman assistance	N/A	95	123	

[327-7100] HOUSING		Respon	sibility: Business Assistar	nce and Housing Services Department
Number of Refinance application requests	110	83	89	
Number of BMR Refinance, Rental and Homeownership application requests	358	123	163	
Number of Refinancing requests approved	291	28	34	
Number of BMR rental and Homeownership applications approved	Included Above	86	121	
Number of BMR Rental and BMR units sold	22	39	51	
Number of Refinance, BMR Rental and Homeownership applications received per F.T.E. staffing for the program	250/FTE	154.5/FTE	203.5/F.T.E	

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# CITY COUNCIL STAFF REPORT AUGUST 25, 2004

# REQUEST FOR CITY CO-SPONSORSHIP OF OPERATION: CARE AND COMFORT MILITARY CARE PACKAGE PROGRAM

# **RECOMMENDED ACTION(S):**

Co-Sponsorship of Operation: Care and Comfort Military Care Package Program

Agenda Item # 7
Prepared By:
Council Services & Records Manager
Submitted By:
City Manager

# **EXECUTIVE SUMMARY:**

The American Red Cross of Santa Clara County, a volunteer organization, is working with communities to collect and ship care packages and bulk goods to U.S. service members stationed in Iraq and Afghanistan. This effort has been labeled "Operation: Care and Comfort Military Care Package Program."

Mary Ellen Salzano, a resident of Morgan Hill, has agreed to coordinate this effort in Morgan Hill and is requesting that the City of Morgan Hill co-sponsor the Operation: Care and Comfort Military Care Package Program. Mark Johanson, an Eagle Scout candidate, has volunteered to help Ms. Salzano, in partnership with the American Red Cross, to assist in the effort of putting together as many care packages as possible in Morgan Hill.

City co-sponsorship will facilitate two actions:

- 1) Use of the Community and Cultural Center as a drop off point for citizens and businesses to drop off such items as: hygiene items, snacks, stationery, writing instruments, socks, books, underwear, handheld games, etc. Care packages will be assembled and shipped to U.S. service members serving oversees.
- 2) Publication of an article in the "City Connection" requesting community support and donation of care package items.

Should the Council agree to co-sponsor this Program, it is being recommended that the use of the Community & Cultural Center be approved as a drop off location until December 3, 2004. Community members will be invited to drop off items at the Community & Cultural Center via the City's newsletter. It is staff's understanding that the drop off concept will be similar to that of the "Toys for Tots" program where a barrel will be housed at the Community and Cultural Center until December 3 and will be coordinated, maintained, and monitored by Ms. Salzano with the assistance of Mr. Johanson. This time period will allow Ms. Salzano and Mr. Johanson the ability to gather and package donated items/articles to be shipped off to military members serving oversees by the holidays. Ms. Salzano will work with City staff to determine the appropriate placement location of the donation barrel. Ms. Salzano will be in attendance at the Council's August 25 meeting should the Council have questions or require further clarification.

FISCAL IMPACT: No budget adjustment necessary.



# CITY COUNCIL STAFF REPORT

MEETING DATE: August 25, 2004

APPOINTMENTS TO THE SANTA CLARA VALLEY TRANSPORTATION **AUTHORITY** (VTA) VALLEY TRANSPORTATION **PLAN** DESIGN **ENHANCEMENTS** (VTP DE) COMMITTEE

Agenda Item #8	_
Prepared By:	
Lisa Lewis, OA II	
Submitted By:	
City Manager	

# **RECOMMENDED ACTION(S):**

- 1. Approve the request to appoint 1 member of the Planning Commission, and 2 members of the Architectural Review Board to serve on the newly established VTA Valley Transportation Plan Design Enhancements (VTP DE) Committee; and
- 2. Direct staff to agendize on the next Planning Commission and Architectural Review Board agendas the request that they submit to the City Council the names of their members interested in serving on the VTP DE committee.

# **EXECUTIVE SUMMARY:**

On July 30, 2004, Mayor Kennedy received a letter from Don Gage, VTA Board of Directors, requesting that, by September 15, 2004, the Mayor appoint 3 representatives of the City of Morgan Hill to serve on the VTP DE committee. Mayor Kennedy is asking that the Planning Commission and the Architectural Review Board submit names of their members interested in serving in this capacity.

The committee will initially meet once per month for approximately 2 hours, but it is probable that once the committee becomes familiar the Valley Transportation Plan, meetings will occur on a quarterly basis. Meeting location and times will be determined by committee members during the first meeting in November 2004.

If this item is approved by Council, Planning Staff will add this request to the next Planning Commission and Architectural Review Board agendas, and will forward the names of any interested parties to the City Clerk. The names of the candidates will be presented for Council review and approval.

**FISCAL IMPACT:** No Fiscal Impact



# CITY COUNCIL STAFF REPORT MEETING DATE: AUGUST 25, 2004

**Submitted By:** 

**Acting City Manager** 

# MEDICAL SERVICES POLICY AND OBJECTIVES

# **RECOMMENDED ACTION(S):**

Adopt the attached Medical Services Policy and Objectives.

# **EXECUTIVE SUMMARY:**

At their meeting of July 28, 2004, Council Members reviewed the above policy and objectives. It was requested that the Subcommittee make some minor revisions and additions to the document and bring it back before the Council for adoption at tonight's meeting.

# **FISCAL IMPACT:**

No budget adjustment required at this time.

# City of Morgan Hill

# Medical Services Policy and Objectives

In December, 1999, with the closure of the former Saint Louise Hospital in Morgan Hill, the City experienced a serious loss of medical services and medical service providers. It became apparent that two full service hospitals, at that time, could not both succeed without significant subsidies. The City Council became actively involved in seeking to preserve, restore and expand medical services in the community. The Council took action to support the restoration of medical services.

In order to guide the City of Morgan Hill's support of medical services for the community, the City Council adopts the following:

- A statement of policy;
- A series of short and long term outcomes or objectives to be achieved; and
- A description of the role of the City government.

# **Medical Services Policy**

It is the policy of the City of Morgan Hill to encourage medical services providers to locate and expand in the city in order to deliver balanced, affordable, convenient, and needed medical services to the broadest possible segment of the Morgan Hill community.

### **Objectives**

The following objectives set forth the expected outcomes to be achieved by pursuing the Medical Services Policy in the short term (over the next two years or so) and the long term (requiring more than two years to accomplish.).

### Short Term Objectives:

- 1. Additional primary care physicians and specialists sufficient to meet the needs of Morgan Hill residents, and to enhance the success of other medical services including an acute care hospital.
- 2. Conveniently located and accessible "urgent care" facilities open normal business hours and on evenings and weekends.
- 3. Additional obstetrical/gynecology services, a birthing center, and other associated medical services for women.

City of Morgan Hill Medical Services Policy and Objectives Page 2

4. Ancillary medical services and facilities that would meet community needs and reinvigorate the community of medical services providers in Morgan Hill.

Examples include:

- Laboratory, radiology, and clinical services.
- Ambulatory surgery centers.
- Skilled nursing facilities.
- Physical therapy and rehabilitation services.

# **Long Term Objectives**:

1. A full service, general acute care hospital with a 24-hour emergency room.

The hospital can be provided at an existing facility or at a conveniently located new facility.

2. Ancillary medical services and facilities that would support the success of a general acute care hospital (for example, a specialty surgery hospital).

# **City Government's Role**

The City of Morgan Hill will be responsible for adopting land use and regulatory policies that facilitate the Medical Services Policy and Objectives.

The City of Morgan Hill has helped establish and initially finance the work of the Morgan Hill Community Health Foundation which is expected to take the lead in community health services planning and implementation. Physician recruitment is currently the City's top priority for expenditure of the public funds previously allocated to the Foundation.

The City of Morgan Hill will expect the Foundation to annually adopt a work plan and report progress to the community at least quarterly.

Adopted		